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FINANCIAL TIMES

No. 27,188

Friday February 4 1977

** 12p

HINE connoisseurs' cognac

NEWS SUMMARY

GENERAL Seven Ethiopian leaders killed. Ethiopia and gilts go into retreat. Equities

Although Addis Ababa radio said the seven had been "executed" for being members of an underground Marxist group...

Lighten Ulster security—CBI. Following Wednesday night's murder of Mr. Jeffrey Agate...

to deal with NATO. Ministers are shortly to be asked to approve a formula for buying the Airbus Warnings and Control System AWACS...

il inquiry. It is confirmed that they are awaiting complaints that officers at Hull jail were alerted by staff after a three-year-old last year...

efly. A Canadian Air Force helicopter ch and disappeared in the north Sudan, has returned to base.

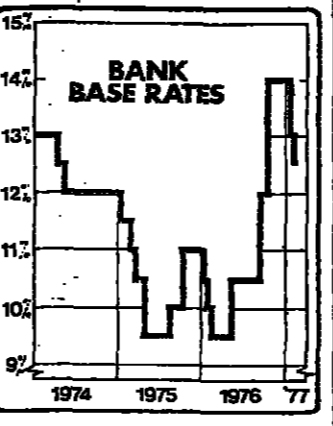
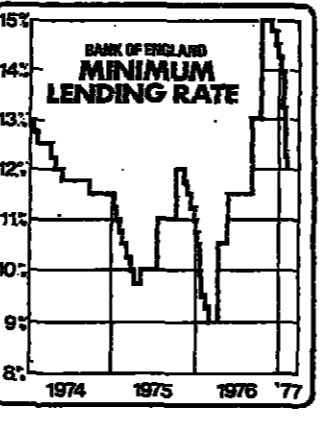
both seas. Marie Soares, Prime Minister's spokeswoman, is to have talks with James Callaghan in London...

Table with 2 columns: Item, Price Change. Includes items like Slebens (UK), Rises, and various market indices.

Bank cuts MLR in move to re-assert control over rate

BY MICHAEL BLANDEN

IN A move designed to re-assert its control over the level of short-term interest rates the Bank of England yesterday cut its minimum lending rate by 1/2 per cent to 12 per cent.



Pressure to think again on £600m. BP share sale

BY RAY DAFTER, ENERGY CORRESPONDENT

A SMALL group of Cabinet Ministers is understood to be putting pressure on the Government to reconsider the planned sale of more than £600m-worth of British Petroleum shares.

Serck opposes £36m. AE bid

BY OUR CITY STAFF

ASSOCIATED ENGINEERING, the motor components group, has launched a hotly-contested £36m. bid for Serck, the Birmingham-based valve and heat exchanger group.

in recent years by the boom in demand for diesel engine components and replacement parts marketing.

Table with 2 columns: FEATURES, ON OTHER PAGES. Lists various sections like Public Sector after Bullock, Politics To-day: The Queen, etc.

Slater charges all dismissed

FINANCIAL TIMES REPORTER

SUMMONSSES against Mr. Jim Slater, former chairman of Slater Walker Securities, for alleged breaches of the Companies Act 1948 in connection with more than £4m. of share deals in 1973-1974 were dismissed at Guildhall Court yesterday.

Holding

Mr. Keith Simpson, of the Department of Trade, claimed that Mr. Slater had infringed Section 54 of the Companies Act, which bars a company providing financial assistance for the purchase of its own or its holding company's shares.

Callaghan in bid to save devolution Bill

BY RICHARD EVANS, LOBBY EDITOR

MR. JAMES CALLAGHAN last night intervened dramatically to save the Government's devolution legislation by warning Labour MPs that it was essential to get the Scotland and Wales Bill on to the statute book this session.

Question

The new clause outlining the referendum procedures shows that the Government proposes only one question should be put to voters on the issue of separation and acceptance of the status quo.

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Advertisement for Corsica, France featuring a scenic landscape, text about Air France holidays, and a table of exchange rates.

NORTH SEA OIL REVIEW

Not learning from experience

BY GEOFFREY OWEN
IF THERE is any comfort to be drawn from the Government's selection of five sectors for special attention during the next stage of industrial strategy, it is that the list does not include machine tools. Whether this is because the Government has given up the machine tool industry as a bad job, or no longer considers it to be "strategic," or thinks its performance is good enough not to require any further special attention, is unknown.

Good news from a stormy sea for Britain and its Government

THE NORTH SEA has come to be regarded as the fount of Government good news as well as being a source of oil and gas. Mr. Anthony Wedgwood Benn, Energy Secretary, may not have relished his transfer from the Department of Industry 20 months ago (at least not in the initial stages). But he has come to recognise that he is one of the few Cabinet Ministers over-seeing a growth sector, what is more a sector that is central to British economic recovery.

Mesa find

The field, as yet un-named, appears to be regarded in the U.K. oil industry as one of the most exciting prospects in the North Sea. Oil analysts at North Sea Mackenzie have estimated that recoverable reserves could lie in the 350m-400m barrels range, although Mesa regards these figures as speculative at this stage. Nevertheless, the shallowness of the water and the proximity to land (about 12 miles) still makes the Mesa find an almost certain commercial prospect.

Concessions

So the decks have been cleared. No company has been arbitrarily omitted from consideration although with 133 companies having submitted more than 50 separate applications for the 71 blocks and part blocks on offer, there are likely to be a number of disappointed applicants. Disappointment will be even more apparent among the large number of companies that will fail to win one of the 10 or so particularly attractive blocks on offer.

Winners

Studies of structural change among machine tool companies schemes for pre-production assistance, backing for research and development, ideas about new export marketing arrangements—all these and more have come and gone without much discernible impact on the performance of the industry.

Useful channel

Some might argue that the industrial strategy exercises do no one any harm; they provide a useful channel of communication between businessmen, civil servants and trade union officials, and help to create an atmosphere in Whitehall which is more conducive to the necessary intervention actually works and what good it does.

ATV Midlands

1.30 p.m. ATV Midlands. 12.25 Friday Evening News. 1.45 News. 1.50 Survival—Crest Mountain Water. 6.00 About Anglia. 6.30 Mica Anzia. 6.50 The Probe. 6.55 Mystery Movie. 7.00 The Eye. 7.15 Movie. 7.25 Your Music At Night.

Channel

11.20 p.m. The Lancashire News and What's On Where. 2.25 The Friday Matinee. "Message to my Daughter." 7.00 The Royal Albert. 7.30 The Six Million Dollar Man. 8.30 Beryl's Lot. 10.30 Late with Danton. 10.55 Late Night. 11.05 News and Weather in French.

RADIO 1

6.00 a.m. As Radio 7. 7.00 Noel Edmonds. 8.00 Tony Blackburn. 12.00 Paul Burnett. 12.45 Sports Desk. 2.00 David Hamilton (S) (also on VHF). 2.30 D.L.T. OK. 3.45 Newsbeat. 4.05 John Dunne (S) (also on VHF). 12.05-12.45 a.m. As Radio 2.

RADIO 2

6.00 a.m. News Summary. 6.42 Colin Peck (S) including 6.45-6.55 Peck's Thought. 7.00 Terry Wogan (S) including 7.07 Rading Bullen. 8.45 Pease for House. 9.20-10.00 Peter Murray's Open House. 10.30 Wagsworth's. 11.00 Jimmy Young (S). 1.00 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.00 David Hamilton (S) as Radio 1. but including on 1560 only (also 1524 on Scotland). 2.45 and 3.45 Sports Desk. 4.30 Wagsworth's. 4.45 Sports Desk. 4.50 John Dunne (S) including 4.55 Sports Desk. 4.57 Frank Chaskalovic conducts the BBC Radio Orchestra (S). 5.00 Friday Night in Stereo. 5.15 News. 5.45-6.00 Sports Desk. 6.05-6.10 European Soccer Special (1966 only). 6.15-6.30 News. 6.35-6.45 Pease for House. 7.00-7.30 Terry Wogan (S) (also on VHF and 540m only). 11.00 Len Jackson with The Late Show (1966 only). 11.30 Scotland. VHF joins Radio 1. 12.00-12.45 a.m. News.

RADIO 3

6.00 a.m. News. 7.00 News. 7.45 Overlook (S). 8.00 News. 8.55 Morning Concert (S). 9.00 News. 9.55 The World's Composer. Purcell (S). 9.55 Northern Ireland Orchestra (S). 10.25 Anthony

Wine Sale

Palmer sets a record
YESTERDAY'S fine wine sale at Christie's confirmed that prices are rising, still much influenced by foreign buyers, many of them American. Although there were some rarities that attracted high prices, the general level of wine prices was a steady one of reasonable quality and reputation, but neither of great age nor scarce.

Japanese ivories in demand

IT WAS Sotheby's saleroom in £1,550 for a 1928 canteen of 141 bureau plat of Louis XV design Belgravia, which specialises in 18th century and later works of art, which held the most important auction yesterday, disposing of some fine collections of Japanese ivories, and other works of art, for £161,737.

TV Radio

- Indicates programme in black and white.
BBC 1
6.20 Nationwide Goes West. 6.40 Sportsworld. 6.55 The Wonderful World of Disney, part 2. 7.40 Mr. Big. 8.10 When the Boat Comes In. 9.00 News. 9.25 The Quest. 10.15 Ten Tonight. 10.45 Regional News. 10.45 The Friday Film: "Lost Command," starring Anthony Quinn.

ATV Midlands

- 1.30 p.m. ATV Midlands. 12.25 Friday Evening News. 1.45 News. 1.50 Survival—Crest Mountain Water. 6.00 About Anglia. 6.30 Mica Anzia. 6.50 The Probe. 6.55 Mystery Movie. 7.00 The Eye. 7.15 Movie. 7.25 Your Music At Night.

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F.T. CROSSWORD PUZZLE No. 3,297



LONDON

8.30 a.m. Schools Programmes. 12.00 Kathy's Quiz. 12.10 p.m. Mister Trumble. 12.30 Hello. Good Afternoon, Welcome. 1.00 News plus "Ft. Inside" (also on VHF). 1.30 About Britain. 2.00 Monney-Ground Good Afternoon. 2.25 Friday Matinee: "The Crooked Hearts," starring Rossling Russell and Douglas Fairbanks Jr. 2.50 The Cedar Tree. 4.15 The Siege of Gordon Hill. 4.45 Maggie. 5.15 University Challenge. 5.45 News. 6.00 Today. 6.25 Crossroads. 7.00 Beryl's Lot.

RADIO 2

6.00 a.m. News Summary. 6.42 Colin Peck (S) including 6.45-6.55 Peck's Thought. 7.00 Terry Wogan (S) including 7.07 Rading Bullen. 8.45 Pease for House. 9.20-10.00 Peter Murray's Open House. 10.30 Wagsworth's. 11.00 Jimmy Young (S). 1.00 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.00 David Hamilton (S) as Radio 1. but including on 1560 only (also 1524 on Scotland). 2.45 and 3.45 Sports Desk. 4.30 Wagsworth's. 4.45 Sports Desk. 4.50 John Dunne (S) including 4.55 Sports Desk. 4.57 Frank Chaskalovic conducts the BBC Radio Orchestra (S). 5.00 Friday Night in Stereo. 5.15 News. 5.45-6.00 Sports Desk. 6.05-6.10 European Soccer Special (1966 only). 6.15-6.30 News. 6.35-6.45 Pease for House. 7.00-7.30 Terry Wogan (S) (also on VHF and 540m only). 11.00 Len Jackson with The Late Show (1966 only). 11.30 Scotland. VHF joins Radio 1. 12.00-12.45 a.m. News.

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The Unofficial Russians

by WILLIAM PACKER

The exhibition of unofficial Russian contemporary painting and sculpture, which occupies the lower galleries at the ICA until February 27, puts us all on the spot; for to visit it exposes us to the most awesome and, inescapably, irretrievably divided nature of our responses to the work we see: sincere interest and sympathy on the one hand, necessary criticism on the other. We come to it full of encouragement and anxious to help; we leave depressed, critical and confused.

There can be no doubting the sincerity and courage of the artists who are represented here. Artists in the west have their problems too, of course, what with a generally indifferent public whipped, from time to time, into more aggressive political attitudes by a mischievously hostile press. But they do not find themselves forced to work secretly, in cupboards, even cut off from their fellows and with no knowledge of what goes on abroad, and ever aware of their rulers' bleak disapproval and malignant suspicion. Dye-stained sculpture is one thing, nine years in a labour camp quite another. That anything gets done at all under such conditions is wonderful, for all our blithe confidence in the eternal resilience of the human spirit.

And these men and women have not given in, for which we can only praise them unreservedly. But unfortunately that praise, given so freely, cannot be extended to their work, for the sad fact is that in general it is poor stuff. We want to admire it, and would do so generously if only we could, for we know what it means in terms of hardship and suffering; but it is impossible to do so objectively. Bad art is bad art, and only special pleading can make it otherwise.

There is plenty of that. The surly of expulsions and exiles in recent years, notably of Alexander Glezler, the collector and champion of the embattled art, from whose collection this show is largely taken, and the accurate suppression of the authorities, wading in with bulldozers and water-cannon, of apparently legal exhibitions, make excellent ammunition for the white propaganda: we are on the side of the angels. But propaganda is the death of art, and having your heart in the right place is never enough to make you an artist.

The particular circumstances do help to explain, of course, why this Russian work should be as it is. Cut off from the Modern Movement at a crucial moment and unable to follow its natural development, their own revolutionary avant-garde, still a vital influence in the west, discredited isolated from each other, Soviet artists are desperately disadvantaged: and it is small wonder that their work should turn out to be so self-centred, sentimental, historicist, and undisciplined. With no free critical structure against which to measure themselves, but only the sterile official political academy, it could hardly be otherwise.

structivists in some of the abstract drawings for large constructions by Lev Nussimberg. The best known of the artists is Oscar Rabbin, whose work is given a prominent showing: somewhat melodramatic and obvious, and rather heavily mannered, but none the less vigorous and confident.

This is a serious, even important exhibition, all the more so, perhaps, because of the general inadequacy of the work, and what that tells us about the condition of the artist in unholy Russia. Perhaps criticism will be taken amiss, but it is not meant unkindly. For our part we must remember that Russia is not just another country, but another world and we, who have never lived and worked there, cannot know what it is like.

The show has been organised jointly by the ICA and The Writers' and Scholars' Educational Trust (who have published through Secker and Warburg an excellent catalogue-book for the occasion). It is also the last show at the ICA with which Sir Roland Penrose will be associated. He founded the Institute just after the War and has watched over it ever since, unhappily with ever increasing misgivings. The move to the Mall some ten years ago brought with it problems that have never really been resolved: problems of status and function, and changed expectations and opportunities. Inseparably its role has changed, gradually assuming the character of an Arts Centre, that London may not need, and discarding that of an Institute serving the creative and intellectual needs of London's community of artists.

Sir Roland resigned his Presidency last autumn, in an atmosphere highly charged with acrimony and controversy. The rights and wrongs of the business must wait for the time being; but the ICA remains a remarkable creation and a fine achievement. Sir Roland's departure, after 30 years work for the wellbeing of the Arts in this country, should not pass unremarked.

The best things in the show are the least affected, the most straightforward: Vladimir Weisberg's exquisite Morandi-like still-lives, for example, and the simple expressionist flowers of Vladimir Yakovlev. And there are some intriguing echoes of the Suprematism and the Constructivism in some of the abstract drawings for large constructions by Lev Nussimberg.

Mad King Ludwig

by NIGEL ANDREWS

Lake Starnberg — by accident, suicide or murder? — on June 13, 1886. Throughout his reign he kept disdainfully aloof from affairs of State — the virginity ascribed to him in the title is political rather than sexual — and was finally removed from power by his uncle, on the grounds of insanity, and replaced with his no less demented brother, Otto.

It needs a talent the reverse of Procrustean to squeeze such a life into the confines of a feature film: albeit one lasting 2½ hours. Syberberg has rightly turned his back on any attempt at realism. He has given us instead a series of tableaux vivants in which Ludwig and his fellow characters speak and move with elaborate formalism against a series of sumptuously coloured back-projections (many of them based on original stage designs for Wagner's operas). Conversations and meetings taken from history jostle with scenes of kitschily anachronistic fantasy: Ludwig dreaming of encounters with sundry 20th century folk heroes (the Lone Ranger, the Shadow), Wagner "reminiscing" about Brecht, Hitler dancing a tango to Wagner's music.

Not, as you can see, the most digestible of films. The miscellaneous allusions to Western culture past and present, and Western culture highbrow and lowbrow, fly thick and fast; and a need for footnotes begins edgily to be felt some 40 minutes into the film. Woe, or tedium, betide the viewer who does not have at least a nodding acquaintance with such supporting characters of 19th century history as Lola Montes, Prince Luitpold, Karl May and Josef Kajkai. And further to confound any hopes for stylistic homogeneity in the film, Syberberg scatters through it half a dozen interviews in which Ludwig's friends and associates talk straight to the camera as if imparting their views to a modern TV reporter.

Where the film scores triumphantly is in placing Ludwig in the middle of a kind of giant magnetic field where he is touched and galvanised by the myriad converging currents of European culture and history. The film does not praise or damn its hero; it merely — but fully — presents. When adverse moral



Harry Baer as Ludwig II in 'Ludwig: Requiem for a Virgin King'

judgment is passed on Ludwig and a surreal, icy poetry — and there is no film-maker in the usually the self-interested nobility — it is deliberately counterpointed by another. Into a peasant's mouth, for example, is put a speech defending Ludwig's extravagance as the living-out of a fairy-tale life on his people's behalf.

One viewing is hardly enough to assimilate the complexities of the film. Syberberg's decoratively status-quo style robs the audience of the prop of emotional involvement, and forces it to ask its own questions and reach its own conclusions about the character. Was Ludwig's aloofness from politics an intellectual independence or intellectual inadequacy? Was his reign the last true flowering of German romanticism? Or was Ludwig merely, as one character in the film dubs him, the "king of kitsch" — ancestor to that bastard line in the genealogy of romanticism that has produced, in our own century, the rainbow-hued gimmickry of Art Deco and Disneyland, Carnaby Street and the comic strip?

New York Jewish humour rides again in *Next Stop Greenwich Village*: not without a heavy counterweight of New York Jewish sentimentality, treasure: a girl in a Catwoman outfit scaling the rooftops of Paris; an elderly croup running home to seek fame and fortune as an actor in Greenwich Village; a rabbi who, like the mad surgeon, *Shadowman* was seen two years ago at the London Film Festival under its French title *L'Homme Sans Visage*. Film-makers who recall *Jules*, made in 1957, will know that director Georges Franju and writer Jacques Champreux have visited this world before. It is the world of the horror serial — blending in equal parts absurdity, suspense

Edward G. Robinson — and gauche stabs at Bohemian tragedy: the suicide of a neighbour (Lois Smith), the infidelity of a girl friend (Ellen Greene). The atmosphere of place and time (circa 1933) are admirably caught, but the audience is never quite sure whether it is supposed to be laughing at, or erring with, the characters: except when a majestically funny Shelley Winters erupts onto the scene as the hero's smothering all-Jewish Mama ("She invented the Oedipus Complex" sighs her rueful son), interrupting every private or compromising moment at his flat by a sudden appearance at the door with the immortal words "we were just in the neighbourhood."

A least Mazursky's film, for all its ups and downs, manifestly deserves its West End exposure. *The Pink Telephone* must rank high on the list of foreign films with no conceivable claim to meriting a London showing. Mireille Darc and Pierre Mondy star in this so-called "comedy" about a French provincial factory owner who spends the night with a call girl in Paris, by courtesy of the big business corporation about to take over his firm, and falls in love with her. The film spends so much time and energy winding itself up for its comic pay-offs that it has none left for the pay-offs themselves. Lamentable dubbing and murky, would-be cinematic photography compound the ineffable tedium that results.

For Francophiles there is consolation at the National Film Theatre: a week of new French films, some of which — *Jeanne Moreau's Lumière*, Maurice Dugowson's *F For François* — have already garnered handsome reputations at recent film festivals. The star attraction, however, is Chabrol's new work, *Alfred, or The Last Fugue* (showing next Monday and Tuesday), Sylvia Kristel, heroine of *Emmanuelle*, stars in this macabre fantasia about a girl who seeks refuge in a sinister chateau after a car accident. Shades of Lewis Carroll begin to close around the lonely girl: but the film conjures up a climax far more unnerving than anything that happened to her Victorian namesake.

Those of my readers who still have a free evening left next week should hit them to Woolwich, where the Thames Polytechnic is mounting its annual film fortnight. This year's selection errs on the side of modishness — with a heavy contingent of American exploitation features — but there are still some notable "firsts": Frankenstein's *The Cemetery*, with Lee Marvin and Robert Ryan, *Bound For Glory*, Hal Ashby's film about Woody Guthrie, and Henry Jaglom's *Trucks* already seen and praised at Cannes and Edinburgh.

Cinema

- Ludwig: Requiem for a Virgin King (AA)
- Paris-Fullman and Phoenix Shadowman
- Essential Cinema (X)
- Next Stop Greenwich Village (X)
- Rialto
- The Pink Telephone (X)
- Gala Royal
- New French Films
- National Film Theatre
- Thames Film Festival
- Thames Polytechnic

In the past, the cinema has had less to say about mad King Ludwig and the fall of the house of Wittelsbach than such a ripely dramatic subject would seem to have occasioned. Now, better late than never, films on the subject are coming at us with a rush. Yesterday, *The Confessions of Winifred Wagner: Today, Ludwig: Requiem for a Virgin King* (by the same director, Hans-Jürgen Syberberg): tomorrow, Visconti's *Ludwig II*. Visconti's sumptuous bio-pic, swathed in period splendour and boasting a palely brilliant performance in the title role by Helmut Berger, was previewed at the London Film Festival and should surface commercially later this year. Syberberg's more thought-provoking production, using back-projected settings where Visconti used the real castles, and stylised, stately action where Visconti deployed a constant swirl of movement, is with us this week.

The German director's film was made — five years ago — as part of a larger conception: the first film in a series of four designed by Syberberg to trace the rise of German militarism and philistinism over the hundred years between the birth of Ludwig II and the death of Adolf Hitler (who is the subject of Syberberg's forthcoming film); and to show that rise as being inextricably linked to the death of Wagner's romanticism. For the latter there can be no more poignant symbol than the mad monarch of Bavaria, who came to the throne in 1864, spent his years of power in an ever more spendthrift and eccentric round of Wagnerian operas, the building and homosexual dalliance, and died mysteriously in

King's Head

It is good, if a little surprising, to find Margaret Rawlings and Aubrey Woods on the same lunchtime bill. But one can only assume that they appear in this hour-long play out of intense loyalty to their author, Jenny Laird. The vehicle, a flaccid piece of whimsy, is set in a Baywater rooming house where Alyson (Karin Fernald) takes in foreigners, dodges the taxman and fights a running battle with her ex-husband, Harry (David Godderson).

Harry is deeply depressed about the state of the nation (who isn't?) and is avoiding a fantasy of nemesis by dressing up in anything that comes to hand. Thus, in the space of two minutes, he changes the taxman's guest as both the doorman and a hunch-backed gardener bearing flowers. The new arrival is Gunnar Snorrason, a Finn dealing in bauxite who, in turn, is suspected by Harry of being a tax snooter. Aubrey Woods brings his customary panache and precision to registering the Finn's surprised reactions, but he is never once allowed to appear convincingly troubled. And that is entirely the fault of the weak script.

In fact, nothing about the play coheres or even disintegrates in inspired fashion, and when the whole business is mercifully wound up by Margaret Rawlings, as the doty mother, discovering a lost fortune in her box of memorabilia, there is nothing for the audience to do but retreat, somewhat clumsily, from the scene of the crime. Douglas Storm's production is hardly careful, let alone creative. Each time someone comes on or off

Mixed Economy

by MICHAEL COVENEY

The acting area, the curtains move to reveal a stack of bicycles belonging to Spokesman, still playing here in the evenings before transferring soon to the Vaudeville.

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BBC Symphony Orchestra

intimations of mortality were avoidable at the Festival Hall Wednesday, in the BBC concert conducted by Andrew Davis. Its juxtaposition of contrasting moods — mourning, the piping was wise and sensitive; naked grief, personal and concentrated, of Berg's sublime sin concerto was followed by the interval by the hearing isolation, generalised and of the Brahms German quiet.

Berg's Requiem for Manon was made on this occasion a searing impact than it can be. It was not because the line, Miriam Fried, lacked strength of character to con- at its terms of the spirit, or, m, multi-faceted tone for the ments of tender nostalgia. But seemed that she and Mr. Davis had not yet thoroughly worked out a joint interpretation. In the opening pages the various instrumental threads were tentatively gathered, and though the conductor's feeling for clear textures served the climaxes well, the general impression was of a performance careful rather than fully passionate. Yet the final page, *Miss Fried* climbing above the orchestra with pale, transparent tone, was as magical as ever. Could it really be that the presence of this beautiful work on the programme still empties the hall? It seems so.

In this context, and even though the lower voices of the string choir lacked depth and fullness, the opening bars of the Brahms sounded extraordinarily ripe for the contrast. It was not to be a ripe interpretation, how-

Masaniello

by MAX LOPPERT

this year's grand opera at Nottingham is Anber's *Le Vesta de Portici* of 1828, given a new English translation by Elizabeth Forbes, as *Masaniello* outside France, the name of the hero provides the more familiar title. Despite occasional miscasts, *Le Vesta* is to-day remembered mostly for the fact of its Belgian revival of 1830 shed off a revolt fanning the entry's independence struggles. lames. But once, as with so many products of the Paris era, that most famous and liberally successful operatic embodiment of the 19th century, it was a work highly valued for itself. Wagner, no deemed it the same treatment of French dramatic tradition... a work such as no or can bring forth more than... So the University Opera again deserves the student thanks, together with the suggestion that, with Masaniello and the *Le Vesta* of the period can now be covered, and that the station to proceed to the able Meyerbeer should be noted.

EUROPEAN NEWS

Brunner appeals to U.K. on Euratom loan

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

A PUBLIC appeal to Britain to drop its opposition to a European Commission plan to raise more than £200m. to finance nuclear power stations through a Euratom loan was made today by Dr. Guido Brunner, the commissioner responsible for energy and research policy.

The appeal comes against a background of cautious optimism among officials in Brussels that the British Government may be persuaded to abandon or at least to scale down, its long-standing demand for a minimum safeguard price of \$7 per barrel for oil, if a deal can be worked out that would compensate it in other ways.

Britain has made its approval of the Euratom loan scheme conditional on other EEC Governments agreeing to a minimum support price, aimed at protecting investments in the North Sea. The U.K. thought it had

secured its EEC partners' agreement to this at the Rome summit in December, 1975, but since then France and Italy have raised strong objections.

Dr. Brunner recently held talks with Mr. Tony Benn, Secretary of State for Energy, and Brussels officials claim to have detected signs that the U.K. has become more flexible on the minimum support price demand. It is hoped that the whole question can be brought up for debate at the next Energy Ministers' meeting tentatively scheduled for April 4, which will be chaired by Mr. Benn.

The Commission believes that the U.K. might modify its position if it were offered inducements, such as the Energy research and energy projects. It is not yet clear whether these might include the selection of Culham, near Reading, as the site for the JET thermo-nuclear fusion project, on which a de-

cision is at present being blocked by France.

Dr. Brunner is understood to want an agreement on the

Plans to call open hearings in Brussels on the problems of nuclear power were announced today by EEC Commissioner Guido Brunner. The hearings would be the first of their kind ever held by the Commission, and nuclear experts, pressure groups and citizens

Euratom loan proposal quickly, because he fears that it will have to compete in the financial markets against other loan plans under study in Brussels.

At a Press conference here today, he noted that despite the British Government's reservations, two U.K. companies had already applied for loans under the plan. Dr. Brunner also appealed today to the U.S. and Canada to maintain supplies of nuclear

fuel to Europe and to fulfil contracts. Noting that the U.S. depends on the U.S. for 45 per cent of their enriched uranium,

organisations would be invited to participate. Dr. Brunner said that the aim of the hearings, for which no firm date has been set, was to provide a clearer picture which would help in formulating EEC nuclear energy policy and to inform public opinion more fully on the subject.

he said that any disruption of supplies would seriously damage Europe's nuclear industry.

In an effort to reassure American sensibilities on the question, he added that the Commission would shortly make proposals for harmonising nuclear reactor safety standards in the Nine, and was also trying to obtain agreement on a set of common rules governing the export of sensitive nuclear

Sharp rise in West German jobless

By Adrian Dicks

BONN, Feb. 3

THE NUMBER of unemployed increased sharply in West Germany during January from December's 1,080, to a new level of 1,250, with unusually cold weather once again the principal cause. The January figures mean that the unemployment rate has now jumped from 4.8 per cent to 5.5 per cent.

Although a further substantial increase in the number of people out of work had been expected, the new figures mean that the improvement over the past 12 months from what were then record levels of unemployment looks less comforting with every month. There were only just over 100,000 fewer people unemployed last month than in January, 1976, compared with a difference of 133,000 between December, 1975, and December, 1976.

Commenting on the figures, Herr Josef Stiglitz, head of the Federal Labour Office in Nuremberg, warned that this month might see an even higher unemployment figure, but he linked it to uncertainty about the economic outlook rather than to specific seasonal factors, such as the cold.

The building industry, predictably, showed the greatest increase in the number of jobless, but there was also a jump in the metalworking sector, while the number of young people unable to find full-time work rose to 110,000. "Full-time unemployed" of all age groups rose by 16.3 per cent between December and January to 1,020, while the remaining 192,000 on the rolls were looking only for part-time work.

On the Middle East, the EEC intends to go no further than the statement by the Netherlands representative at the UN General Assembly on December 9, which he said was the most realistic political dimension of the Palestinian question, the Palestinians' right "to the effective expression of their national identity, which could involve a territorial basis," and the need for a way to enable the participation of all interested parties, taking into account the importance of the peace conference.

This will undoubtedly disappoint the Arabs, in particular Egypt, who are pressing the EEC to involve itself more deeply in the convening of the Geneva conference.

L. Daniel writes - from Jerusalem: Israeli Foreign Minister Yigal Allon is due to go to Brussels at the beginning of next week for the signature on Tuesday of the co-operation and financial protocols supplementing the agreement Israel concluded with the Common Market in May, 1975.

The additional protocols provide for industrial, technological and scientific co-operation, thus opening the way for joint ventures, particularly in applied research. Moreover, Israel will be able to profit from results of major research projects carried out in European institutions of a scale that Israel cannot afford.

It is generally expected that this report, which is being prepared by a Deputy Governor of the Bank of France, will favour a more restrictive government control in view of the inability of the nationalised sector to make ends meet. Last year, the operating deficit of state-owned utilities totalled Frs.30bn. and the 1977 budget foresaw a shortfall of Frs.35bn. for the current year.

Carter's envoy for Cyprus in bid to break deadlock

BY OUR FOREIGN STAFF

PRESIDENT CARTER has launched his expected Cyprus initiative with yesterday's announcement that Mr. Clark Clifford, a former Defence Secretary, is to visit the island in the near future as a special U.S. representative.

Mr. Clifford will also go to Athens, Ankara and West European capitals, probably including London.

This trip will be part of intended diplomatic efforts to get the deadlocked negotiations between the Greek and Turkish communities moving again. Cautious hopes of progress have been raised by last week's meeting between President Makarios and Mr. Rauf Denktaş, the Turkish Cypriot leader.

Mr. Clifford is expected to visit the island next week.

The White House said Mr. Clifford would consult Dr. Waldheim and members of the EEC.

He would assess prospects for early movement towards a negotiated settlement, and how he might be of assistance in this process.

Officials in Washington are well aware that a Cyprus settlement is as important as it is difficult. There is mounting concern about the disarray on NATO's southern flank which is likely to continue as long as there is no agreement between Greece and Turkey about Cyprus.

Last week's historic meeting between Archbishop Makarios and Mr. Denktaş, the first face-to-face encounter between the two men in 14 years, is seen as a step in the right direction. It is expected that their next meeting, fixed for Saturday, February 12, with Dr. Waldheim

there, will open the way for resumption of inter-communal talks.

The Makarios-Denktaş talks have already created an improved atmosphere and a climate of some goodwill between the two communities.

The Turks have apparently stopped expulsion of Greek Cypriots from villages in the Turkish-occupied region, which until last week continued at the rate of 40-50 a day.

The remaining 2,000 Greeks living in the North are said to be treated more amicably by the Turks now, and there is talk of "let's live together as friends again." Both sides have toned down their propaganda war.

There are reports that some Turks are evacuating the Great part of Famagusta to allow for the return of its Greek inhabitants at some future date, and that even settlers from mainland Turkey are preparing to depart from the island.

But officials treat such move and rumours with reservation and emphasise that no spectacular progress should be expected. On one hand the Turks have carefully avoided giving any firm indication that they plan "good will gestures" or concession before an overall settlement is reached. Secondly, differences between the two sides on key issues remain wide.

The only movement forward has been Mr. Denktaş's statement that he would agree to reduce the extent of land and Turkish control to 32.8 per cent from the present percentage of about 38 per cent.

Carter's new-look Administration Page 5

Schmidt in Paris talks

BY ROBERT MAUTHNER

PARIS, Feb. 3

PREPARATIONS for the proposed Western economic summit intensified here today with a wide-ranging discussion of world economic problems between President Giscard d'Estaing of France and Herr Helmut Schmidt, the West German Chancellor.

After the first round of talks between the two leaders here this evening, the West German Government spokesman said that it now looked increasingly probable that the summit would be held in London in May.

The exchange of views on economic problems went better than expected. It appears that the French President and his Prime Minister, M. Raymond Barre, were much less insistent than the U.S. and British leaders that West Germany should restate in order to help the weaker economies, a step Herr Schmidt is reported to be reluctant to take because of its possible inflationary consequences.

The French position is somewhat ambiguous. On the one hand, France would welcome some expansionary measures by the stronger economies such as

enough to enable the two countries to adopt a common position in their talks with the U.S.

It seems that while Bonn is not prepared to bow to American demands that it should cancel its contract with Brazil for the supply of uranium enrichment and nuclear fuel reprocessing plants, the West German Government is now prepared to align itself on the French position.

France decided last December that, though it would respect all contracts already signed, such as the one with Pakistan for a reprocessing plant, it would in future refuse to export any equipment which could be used for the manufacture of nuclear weapons.

Herr Schmidt's arrival in Paris this afternoon was delayed by more than an hour following a bomb threat from a caller claiming to represent the German Baader-Meinhof extremist group. But police, who made an extensive search of the Orly Airport buildings, found no explosives and there were no incidents when the West German Chancellor finally arrived.

EEC will not alter Arab-Israeli policy

BY ANTHONY McDERMOTT

THE EEC has no intention of changing its public attitudes towards the Arab-Israeli conflict when the general council of the Euro-Arab dialogue meets in Tunis between February 10 and 12. The EEC delegation will be led, this time, by a British diplomat, Richard Faber, an Assistant Under-Secretary at the Foreign Office.

At the only previous meeting in Luxembourg last May, it will stress the need for practical and commercial co-operation.

Since the dialogue began after the 1973 Arab-Israeli war, the Arabs have argued that economic relations can only develop in the context of political stability in the Middle East, and this can be helped if the EEC makes a more sympathetic position on the conflict. The EEC wants to keep the political and economic issues separate.

The EEC hopes to move towards agreements on the standardisation of contracts; and on the mutual protection of invest-

French public utilities face Frs.2bn. cuts

By Our Own Correspondent

PARIS, Feb. 3

THE FRENCH Government, increasing its concern about the growing deficit of the nationalised sector and the resulting sharp increase in Government subsidies to the public utilities, has instructed the latter to make savings totalling Frs.2bn. (about £240m.) this year.

Cuts of about Frs.1bn. will be made in the operating costs of public enterprises and their investments will be reduced by a similar amount. A report has also been commissioned by the Government for the end of March on what has been described as a "redirection of the relationship between state-owned companies and the Government departments responsible for them."

It is generally expected that this report, which is being prepared by a Deputy Governor of the Bank of France, will favour a more restrictive government control in view of the inability of the nationalised sector to make ends meet. Last year, the operating deficit of state-owned utilities totalled Frs.30bn. and the 1977 budget foresaw a shortfall of Frs.35bn. for the current year.

DUBLIN MOVE IN ROCKALL DISPUTE

By Our Foreign Staff

THE DISPUTE between the Irish and British Governments over North Atlantic oil exploration rights entered a new phase yesterday when Dublin claimed rights over areas within 200 miles of the British island, Rockall.

The claim, which parallels a Danish claim to fishing rights in areas within the 200-mile limit, hinges on the legality of uninhabitable islands generating their own economic zones. Neither the Irish nor the Danes contest U.K. sovereignty over the island.

A British Foreign Office spokesman said yesterday that the Government has received notification from the Dublin of the counter claim, and is considering a protest. However, the whole question of economic zones is still being discussed by the Law of the Sea Conference and any U.K. action will depend on the conference's verdict.

Gierek pardon

Polish Communist Party leader Edward Gierek, in a major move to conciliate public opinion and undermine opposition, said last night he had recommended a pardon for worker leaders of last summer's food riots. Reuter reports from Warsaw.

Communist backing for Andreotti

By Paul Betts

ROME, Feb. 3

ALTHOUGH expressing a certain measure of reservation, a powerful Italian Communist Party indicated to-night that it would tacitly support a minority Christian Democrat Government of Sig. Giulio Andreotti in its attempt to overcome Italy's present economic crisis.

At the long-awaited economic summit meeting of Italian party group leaders, Communist member, Sig. Gian Napolitano, said to-night that was, now for the Government to reduce the country's political forces. Parliament to take steps to reduce Italy's rising inflation rate. He warned, however, his party would not accept modification to the current wage index system.

Sig. Andreotti, who is expected to announce a limited number anti-inflation measures after Cabinet meeting to-morrow, already virtually given the unions the assurance that would not alter the present term of wage indexation.

David Buchan reports on Zaire's rapprochement with Belgium

Mobutu revives old ties

THE TEMPERATURE of Zaire's relations with Belgium is clearly warmer than it was a few days ago, a Belgian banker remarked during President Mobutu Sese Seko's recent prolonged visit to Belgium. What this cynical gentleman meant was that only when Zaire's economy goes awry—as it certainly has in the last two years—does Kinshasa turn to its former colonial masters for assistance.

Nevertheless the Belgian political and business community has taken its pleasure in President Mobutu's offer, made last September and reiterated in Belgium last month, of a complete return of most nationalised companies to their former Belgian owners, and his pledges of security for new investments. Businessmen up and down this small country have been toasting the Zairean President's new found "realism."

In restoring old ties with Belgium, the President is also looking to the IMF and world bank in Washington, and the international banks in New York, London and Paris. His talks in Brussels have shown that he is still pursuing the IMF to be allowed to draw on Zaire's second and third tranches from the fund. Belgium has offered its good offices to help him get these though officials here have few illusions about the weight that will carry. Getting these tranches and also catching up on interest and capital repayments on past debts (which Zaire is now believed to be doing) are two of the conditions set by commercial banks last year on the grant of a further \$250m. loan. Thus, the main purpose of the President's Belgian visit was to reassure creditors beyond Belgium that by re-introducing Belgian expertise he planned to put the economy on a sounder footing.

It is quite true that Belgian-Zairean relations have been of a cyclical nature in the past 17 years. Only in 1974 diplomatic ties were almost broken over a book critical of President Mobutu whose sale in Belgium, he insisted, must be suppressed: a cynic would say that the Zairean

president at that time could still afford to make a fuss. The return of government retained fairly dusty answer, offering Mr. Mobutu the Belgian copper which to sue for criminal libel if he so wished, but nothing more.

But since then, three major problems have caused Mr. Mobutu to put a higher price on traditional relationships: the slump in the price of Zaire's staple export, copper; the war in Angola which not only threw up a government in Luanda unfriendly to him, but also partially destroyed one of Zaire's main outlets to the sea, the Benguela Railway; and internal problems. These problems relate directly to the Zairean seizure in 1973 of all remaining foreign holdings (mainly Belgian, amounting to rather over \$500m.), and then shortly after, his introduction of a form of worker control.

Relations with Belgium have improved gradually, starting with the visit of the present Belgian Prime Minister, Mr. Leo Tindemans, to Kinshasa in September 1976. Ironically it has been Société Générale, which was for so long embroiled with Kinshasa over compensation for the takeover of its vast Zairean holdings, that has led the way. Compensation of B.Frs.45bn. (about £83m.) for Société Générale's big copper mining subsidiary, Union Minière, has now been all but paid off. In October 1976, Société Générale signed two agreements with Zaire—setting up a joint copper marketing venture and arranging the cross interest between the Zairean state shipping concern and a shipping subsidiary of its own. Société Générale companies are moving back into Zairean banking, cement and agriculture.

Other Belgian companies have responded more slowly to President Mobutu's recent wooing. Some interest was evoked last March when Zaire asked to restore 40 per cent of nationalised holding back to their former owners. This appeared a move by-passing the vexed matter of compensation on which only Société Générale—perhaps because of its international standing—had made any pro-

SEKISUI PREFAB HOMES, LTD. Osaka

Adjustment of the Conversion Price of the 6 1/2% DMSO,000,000 Convertible Bearer Debentures 1976/1987 By the resolution of the Board of Directors of December 14, 1976, Sekisui Prefab Homes, Ltd. makes a free distribution of shares of Common Stock to shareholders registered as of January 31, 1977, in the ratio of 1 for 5. Therefore, the conversion price will be adjusted effective February 1, 1977, from Yen 1150 to Yen 965.50 in such way as described in Section 4 of the Loan Terms. Hence, Yen 965.50 principal amount of Convertible Debentures, translated at Yen 122 for DM 1, are convertible into one share of Common Stock with a par value of Yen 50 per share. On behalf of Sekisui Prefab Homes, Ltd. Dresdner Bank Aktiengesellschaft

Advertisement for SHELL INTERNATIONAL FINANCE N.V. featuring DM 200,000,000 and 6 1/4% Deutsche Mark-Bonds of 1977/1989. Includes a list of participating banks from various countries such as Deutsche Bank, Dresdner Bank, and others.

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AMERICAN NEWS

Burns suggests \$31bn. stimulus unnecessary

BY OUR OWN CORRESPONDENT WASHINGTON, Feb. 3

DR. ARTHUR BURNS, Chairman of the Federal Reserve Board, said today that President Carter's \$31bn. economic package is an "inefficient way of stimulating the economy..."

Carter finds a relaxed style to conquer Washington

BY DAVID BELL, WASHINGTON, FEB. 3

MR. ZBIGNIEW BRZEZINSKI, President Carter's National Security Adviser, was half an hour late last week for an important speaking engagement...

House right next to Mr. Jordan. It is a long time since a Vice-President had an office so close to the President, and he gets on well with the Carter staff...

House and Capitol Hill, the legislature's mood is assertive. Many of its members have forgotten what it is to serve under a President of the same party...

SEC charges Pertamina over restaurant venture

BY STEWART FLEMING NEW YORK, Feb. 3

THE U.S. Securities and Exchange Commission (SEC) has charged the Indonesian State oil company, Pertamina, and its former head Gen. Ibnu Sutowo in connection with the eliciting of investment from U.S. and foreign companies in a New York restaurant venture...

SENATOR CALLS FOR NEW POLICY ON SOUTH AFRICA U.S. pressure on Vorster urged

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, Feb. 3

SENATOR Dick Clark, the Democrat from Iowa who is the pre-eminent African specialist in Congress, has proposed that the U.S. should start exerting diplomatic leverage on South Africa...

Falklands cautious on U.K. plan

BY OUR OWN CORRESPONDENT PORT STANLEY, FEB. 3

THE FALKLAND ISLANDERS have given a cautious welcome to the announcement yesterday by Mr. Anthony Crosland, the British Foreign and Commonwealth Secretary, on the future of the territory...

NYC fails to meet \$1bn. debt deadline

BY JAY PALMER NEW YORK, Feb. 3

NEW YORK CITY has failed in its 11-week struggle to find \$1bn. in time to meet today's court-ordered deadline for the repayment of short-term city debt held by small investors...



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Belgium... ies... NOMES...

OVERSEAS NEWS

Sadat announces tough law on disorder and tax fraud

BY MICHAEL TINGAY

CAIRO, Feb. 3.

EGYPTIAN PRESIDENT Anwar Sadat today announced a series of repressive measures which he said were to safeguard the Egyptian constitution and the national unity of the country. In a two-hour televised speech on the price riots of January 18 and 19, Mr. Sadat told the nation that a plebiscite would be held after one week to confirm a presidential decree which will mean hard labour for life for a number of offences. Among the offences were: Forming a group, paramilitary or otherwise, to destroy public or private property; failing to submit accurate accounts of the earnings of a man, his wife and minor children; tax evasion; inciting the people or impeding the Government or acquiescing in such activities; taking part in a premeditated strike; participating in a sit-in which could lead, or leads, to a disturbance of the peace.

In the same decree, the president exempted small landowners or those with less than three feddans (acres) of land from tax on the first £300 of income. The law also decrees that every Egyptian must produce a statement of his wealth, and that of his dependants, within three months. The decree will be enforced immediately it has been published in the official gazette, following the plebiscite. President Sadat said that the riots, in which about 80 people were killed and 500 injured, were a "horrific criminal plot." He described the events as "very dangerous," adding that he would not be intimidated. In a rare show of anger, he exploded "what is this outburst of theft, of burning private cars? Why? Are there not private cars in Moscow?" Mr. Sadat told the nation that he did not want to discuss details of the events behind the riots, which were still being investigated by the public prosecutor. However, he referred to a number of points, thus indicating the post-riot thinking of the regime. Attacking the USSR, Egyptian communists and the left-wing political party which was authorised last November, Mr. Sadat said that the freedom of the state and of every Egyptian had been threatened by the riots. He said, "I will not be merciful or tolerant. They have exploited the freedoms we have given."

Gandhi fights back against defectors

By K. K. Sharma

NEW DELHI, Feb. 3.

MRS. INDIRA GANDHI today fought back strongly to maintain the unity of her ruling Congress Party, threatened by the resignation yesterday of Mr. Jagjivan Ram, Minister for Agriculture, and other senior Congress leaders. Apart from attacking Mr. Ram severely for deserting the Congress, giving as grounds decisions that he himself was party to, Mrs. Gandhi's strategy seemed to be to encourage the hopes of the "older generation" in the Congress of being nominated as candidates for the coming general election. This was apparent from the first 35 candidates announced only two of whom are known supporters of her son, Sanjay, whose extra-constitutional position and attempt to secure a substantial number of Congress seats for his Youth Congress is the main reason for the defections. For the moment, her tactics seem to be working. Mr. Ram's well-attended Press conference today proved to be an anti-climax. Far from further defectors from the Cabinet, Mr. Ram produced just two minor former Congress functionaries.

Through Mr. Ram claimed that thousands of people had welcomed his decision to quit both the Government and the party, and hinted at the prospect of a new "Congress for Democracy" party, it looked to-day as though only those denied Congress sponsorship for the election would join. Mrs. Gandhi's camp are, however, behaving as though they are dealing with a major crisis. The main indication of this was the rallying of several thousands of workers and peasants at her residence, which was obviously "intended to demonstrate that she retains popular appeal."

S. Africa's Angola involvement

AT THE HEIGHT of its involvement in Angola, South Africa had in January, 1976, fewer than 2,000 troops there and, backed by two nationalist movements, could have conquered the whole country. A South African armed forces statement said to-day.

The statement provided the first official indication of the extent of South African activities in the former Portuguese colony. Until now, all details of the fighting preceding Angolan independence under the MPLA régime were censored from South African media. The MPLA came to power with the support of more than 10,000 Cuban troops, and using large quantities of Soviet arms. South Africa went into Angola late in 1975 on the side of UNITA and FNLA movements which opposed the MPLA. The statement said: "The allied FNLA-UNITA forces, supported by South African forces, could have conquered the whole of Angola. But the leader of UNITA, Dr. Jonas Savimbi, instead of using them for the retention of his traditional area of influence, the results for FNLA were disastrous. Agencies determined to reach a settlement with the MPLA to the advantage of the whole of Angola." Dr. Savimbi's supporters are still fighting a guerrilla war against the MPLA and its Cuban military supporters.

Syria 'rejects' Israeli demands

PRESIDENT HAFEZ ASSAD of Syria to-day told President Elias Sarkis of Lebanon that he would not accede to Israeli demands that the Syrian-dominated Arab peace-keeping force in Lebanon pull back from its southernmost positions, according to political sources here.

Observers said that the talks between the Syrian and Lebanese sides on a more permanent basis, and have established an "organic link" between the two. They said that the mention in a joint communiqué of a "common working plan" to coordinate policy, which sides of both presidents are now formulating, reflects Syrian strategy of strengthening links with certain Arab states. A Syrian-Egyptian "unified political leadership" has been formed as a basis for union between the two countries; Damascus is already linked to Jordan by a "joint leadership" composed of President Assad and King Hussein; and efforts are said to be under way to bring the Palestine Liberation Organisation into the fold. The Syrian media have explained that Syria aims to establish a "Lebanese territory and people" on the Southern Lebanese border to the Jordanian port of Aqaba on the Red Sea. Observers see particular significance in the communiqué's reference to the "unity of Lebanese territory and people" and of its "state institutions." They see this as indirect encouragement of certain political groups here seeking partition.

Sierra Leone calming down

MOSCOW, Feb. 3.

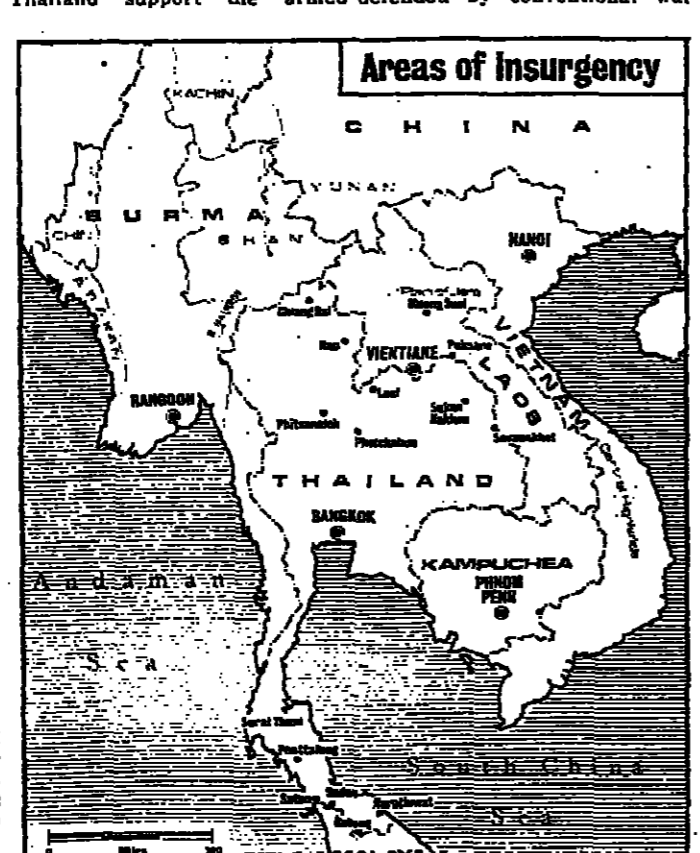
LIFE IN the West African nation of Sierra Leone is gradually returning to normal, following violent student riots in Freetown, the capital, the TASS news agency said to-day. At 7 p.m. a major curfew declared by President Siaka Stevens remains in effect, according to TASS, and police are still guarding Government buildings and patrolling streets. Schools have been closed until Monday. But TASS said that most offices and shops were open, and it quoted a Government statement saying that most students detained during the rioting had been released. UPI

INSURGENCY IN SOUTH EAST ASIA

No threat to the dominoes—yet

BY RICHARD NATIONS IN BANGKOK

EVERY government in peninsula south-east Asia faces at least one well-armed insurgency, and Burma as many as 12. Even in Cambodia, the only apparent exception, unconfirmed rumours persist that the Khmer Krom minority Vietnamese in Cambodia are up in arms against Phnom Penh, aided surreptitiously by Hanoi. And if the Khmer Rouge are not yet plucked by the chronic insurgency that debilitates neighbouring régimes, the distant prospect of mass rebellion can offer but little consolation. The Communist régimes of Hanoi and Peking have yet to subdue thoroughly the once Western-backed anti-Communist insurgencies of the hill tribes. The Green Beret-trained organisation of the Montagnards in central Vietnam, the United Front for Liberation des Races Opprimées, continues to harass official movements in the central highlands, although its numbers have probably dwindled into the low hundreds since the Americans left. Tribal resistance in Laos, on the other hand, appears to be waning. The last two Pathet Lao pilots to defect to Thailand claim they were involved in bombing and strafing missions throughout the hills surrounding Muong Soui on the western edge of the Plaines des Jarres. Diplomatic sources here report fresh divisions have moved in from Vietnam to secure Pathet Lao base areas, releasing Lao troops to suppress Men insurgents whom most observers think still ebb every bit as strong as when the CIA organised and armed a force of thousands under Vang Pao, now in America.



secessionists of the Patani Liberation Front whose fighting base is estimated at 300-500. Independent Burma has become a patchwork of ethnic insurgencies with every non-ethnic Burman nationality—the Karen, the Shan, Kachin, Naga, Arakanese, and Mon—throwing up at least one armed force to combat Burmese "greater Burmah nationalism." These together number at least 12,000. Add to this gangs of bandits, highwaymen and opium smugglers each of which can contain up to 300 armed men, and a surfeit of Indo-China war material purveyed by gunrunners

sively in the hands of minorities, and this insulates the dominant races of the plains who regard minority politics as alien and inferior. The rank-and-file BCP are mostly WA and Kokang tribes, recently related to Yunnan Chinese while Malaysian Communism is based almost entirely on the powerful but still minority Chinese community. Half of the CPY are Meo hill tribes in the north. Ironically, dedication to orthodox Maoism among the mainline communist movements in the region—the CPY, CPB and MCP—retards the pace of insurgent growth. The highly centralised societies of Thailand, Malaysia and Burma provide classically Leninist conditions where politics is virtually confined to urban classes. But the Soviet line has made little progress and the mainline parties quickly condemn any splinter group which deviates from that strategy of "using the countryside to encircle the cities and finally seizing political power by armed force."

Finally, the American withdrawal has removed the last vestige of the one overriding issue—foreign occupation—which put political unity on the right side of the conservative peasant's nationalism in China and Indo-China. The absence of foreign troops in the region leaves the insurgency to feed upon the mongre breed of minority grievances and bureaucratic abuse.

But the long-term stability and unity of middle class rule in the region is open to question: Malaysia society is weakened by intractable racial divisions; the recent political crisis in Rangoon have exposed splits in the ruling army which augur ill for the post-Ne Win era, while the rise and fall of democracy in Thailand has introduced mass politics into the previously unchallenged rule by bureaucracy.

The key to containing communist influence lies in a combination of economic, political and foreign policies which raise the mass standard of living, avoid hard lines of confrontation in the towns and preserve the currently tenuous regional power balance. With the major industrial powers threatening to prolong the pause towards full economic recovery, the increasing drift towards hard-line right-wing rule in the region and the ceaseless turbulence of Sino-Soviet conflict unsettling the regional power equation, insurgency may well have a brighter future than it would otherwise.

WORLD TRADE NEWS

Conciliation hope in row over Japan shipbuilding

BY JOHN WYLES, SHIPPING CORRESPONDENT

FIRM indications that Japan is prepared to take a more conciliatory line in the row with Western Europe over shares of world shipbuilding orders emerged in London yesterday. During talks with Department of Industry officials, senior Japanese Government representatives are believed to have stressed their worries about EEC threats to take action to discourage European shipowners from placing new orders in Japan. They apparently emphasised their understanding of Western Europe's fear that its shipbuilding industries could be virtually destroyed by Japanese competition and hinted that Japan was prepared to make a fresh effort to reach an understanding. Japan's revised position will be explained in full by the same officials at a key meeting of the Organisation for Economic Co-operation and Development in Paris next Tuesday and Wednesday.

Yesterday's talks were sought by the Japanese delegates as a preliminary sounding exercise in advance of the OECD meeting. The delegation will be holding similar discussions with the German and French Governments to-morrow and the EEC Commission on Saturday. Despite the more conciliatory approach which Japan is understood to have adopted yesterday, there are still formidable obstacles in the way of an agreement within the OECD. In particular, it may prove impossible to reach an understanding on the EEC's proposals for sharing all orders placed in Japan and Western Europe on a 50-50 basis. Japan took around 80 per cent of these orders last year, but it is arguing that its plans to reduce shipbuilding output in Japan to around 6.5m. gross tons in 1980 from 17m. gross tons in 1975 will inevitably reduce its share of the world market.

This gradualist approach will almost certainly be seen in Europe as sufficient justification for introducing selective aid to shipyards aimed at attracting sufficient volume of orders to avert the 60 per cent. reduction in shipbuilding which is currently threatened. Within the EEC, the Dutch have led the way in announcing a controversial scheme based on aid to shipowners. In the U.K., the approach being considered at the Department of Industry would involve channelling aid directly to shipyards since incentives to shipowners are believed to be too costly and indiscriminate. Japan took around 80 per cent of these orders last year, but it is arguing that its plans to reduce shipbuilding output in Japan to around 6.5m. gross tons in 1980 from 17m. gross tons in 1975 will inevitably reduce its share of the world market.

More orders for Dutch shipyards

BY MICHAEL VAN OS

THE DAYS of gloom seem to be over for the troubled Dutch shipbuilding industry—at least for the time being. Large orders are being signed again, notably by Holland's dominant yard RSV, but this has little or nothing to do with improved market conditions for shipowners. Fleet modernisation is the catchword, a development that has been made possible by the Dutch Government which on the one hand specially assists the shipowners and on the other hand the yards, mostly in employment aid.

To-day, the Rotterdam shipping company Incrotrans, part of the Swedish Brostrom Group, announced it has signed a letter of intent with RSV for the building of two 24,000 ton container ships. The order value is around Fls.200m. (£50m.) and it included the construction of a large number of containers for the two ships which will have a carrying capacity of about 1,450 containers each. The ships, which will be installed with RSV-Sulzer engines, will sail under the Dutch flag and be introduced in all probability in Incrotrans' jointly-operated service to the U.S. Gulf ports. In The Hague, Holland's largest shipping company, NSU, said to-day that it would probably be only a matter of days before contracts would be signed for the construction in Holland of two Ro-Ro ships (about 20,000 dwt each) and two multi-purpose ships (about 21,000 dwt each). An NSU spokesman would not disclose the value of the order. He said the position was understood to be that agreement had been reached as far as the Government investment subsidy for the company, but that the waiting was for the financial aid arrangement with the yard. That will no doubt be RSV, the sole Dutch builder of large ships. It goes almost without saying that the orders are loss-making for the yard. RSV also had to accept a loss on a big car ferry order, which it received last month from the Dutch Zealand Steamship Company, which runs the Hook of Holland car ferries link jointly with British Rail. The size of the losses is never disclosed. It is not only RSV which is

Britain in £140m. Saudi contract

BY RICHARD JOHNS

THE Pritchard Services Group in partnership with the Chicago based Waste Management Inc. has won a contract worth £140m. for rubbish disposal and collection in Riyadh, Saudi Arabia, over a 10-year period. The deal was finally concluded on January 31 after more than 15 months of negotiation and the face of competition with subsidiary of the French State controlled Renault group. The U.S. company has a 60 per cent stake in the partnership undertaking the public cleanup programme together with Saudi Pritchard, a 50/50 joint venture between the British company, Prince Abdul-Rahman Abdullah, a nephew of King Abdul-Aziz ibn Saud. It is believed to be the big public service contract awarded by the Kingdom. Capex costs involved in the deal include an estimated £22m. in construction costs and a further £1 for equipment.

Performance

According to standard Sa practice, the partnership receive a 20 per cent. advance payment to cover work capital requirements. Most interesting is the fact that performance bond demanded 10 per cent. on an annual basis for each year of the contract. The full value of the contract, £140m., compares with the 10 per cent. once demanded from contractors, which since summer has been reduced per cent. for some deals.

The local partner has responsibility for Prite obligations in respect of share of advance payment performance bonds. Guarantee Waste Management have been provided by a consortium of U.S. banks including Continental Bank of Illinois. Commenting on this aspect of financing, Saudi Arabia where the ally bonds can be called without explanation) Mr. Peter Pritchard, chairman of the U.K. company, said, "we have no responsibility, as our partners arranging the bonds. This been a great help to us; expressions of interest in B companies would be able to competitively for the contract and supply contracts." U.K. companies, out of a total 26, were tendering for construction contracts, for which 10 bids were sent out.

Exports to EEC rise sharply

Exports to the EEC and the Middle East showed a marked rise in 1976, according to an analysis prepared by the London Chamber of Commerce and Industry.

In its economic report for February the Chamber said that exports to the EEC rose from £6.4bn. in 1975 to £9.2bn. and at the same time the Community's share of British exports went up 2.3 per cent. Sales to the Middle East and North Africa totalled £2.9bn. and accounted for 11.2 per cent. of exports—a rise of 1.5 per cent. As far as individual markets are concerned the biggest increases were Saudi Arabia, up by 100 per cent to £400.3m., and Nigeria, up by 51 per cent. to £774.1m. Saudi Arabia is now Britain's 17th largest market compared with 23rd in 1975 and 29th in 1974. The increase for Nigeria, which is now the 10th largest market, is even more dramatic, having gone up from 13th in 1975 and 21st in 1974. The main exports to both countries are machinery and transport equipment.

The U.S., where sales totalled £2.5bn., is still the leading export market followed by West Germany (£1.8bn.), France (£1.7bn.), Netherlands (£1.4bn.), Belgium-Luxembourg (£1.4bn.) and Ireland (£1.3bn.).

U.K. chemical sales abroad up by 39%

U.K. CHEMICAL exports increased by 39 per cent. last year, reaching a record level of £3.2bn. Imports grew by 42 per cent. to £2.1bn., but the overall trade balance was a record £1.1bn. According to official statistics published this week in the weekly European Chemical News, the trade balance with other EEC countries is less encouraging, having widened from a marginal deficit of £23m. in 1975 to nearly £120m. last year. U.K. imports from other EEC countries grew by some 59 per cent. to £2.1bn. The main exporters of chemicals to the U.K. were West Germany, the Netherlands, and the U.S. The Dutch were the main importers of U.K. chemicals.

Hong Kong deal for Hawker

HONG KONG, Feb. 3. THE FIRST contract in the construction of a SHK175m. (about £21.875m.) sewage treatment plant at Shatin New Town, in the Hong Kong New Territories, has been awarded to Hawker Siddeley Water Engineering. The SHK3.7m. (about £462,500) contract, for the supply of fine bubble aeration equipment, was signed, to-day.

Lazards offers new export finance plan

BY MARGARET HUGHES

LAZARD BROTHERS yesterday announced a new scheme aimed at making foreign currency financing of British capital goods, now being pressed on exporters by ECGD, more attractive to overseas buyers and thus to U.K. exporters. The scheme is still being considered by the Treasury, Bank of England, and Exports Credit Guarantee Department, but with their knowledge and support is currently being used in the negotiation of a major contract involving GEC and Babcock and Wilcox. The buyer is still exposed to foreign exchange risks but, based on current interest rate differentials—between the cost of Eurocurrency borrowing and the yield on gilts—it is also anticipated that the redemption yield on the latter will substantially exceed the cost of the foreign currency borrowing. In this situation the overseas borrower stands to make a gain which he can either use to effect reduce the sterling contract price—he will need to borrow less. Alternatively, the potential gain can be used to finance a higher proportion of the balance of payments without the sterling contract price while still allowing ECGD to keep within the Barne Union agreement.

This potential gain gives the British contractor a price advantage which he can use during his contract negotiations. Over a three year draw down period it is estimated that the potential gain could be 10 per cent. It also means that he can invoice in sterling which keeps his own costing estimates though the deal is financed in foreign currency. The maturities will approximate the anticipated dates of the payments to the British supplier as agreed under the terms of the contract. The main advantages are that it eliminates a long draw down period—which is at variance with normal Eurocurrency borrowing terms and requires a long commitment on the forward market by the contractor.

Profits

The venture will be set a city now covering some square miles and with a plot of more than 600,000 sq. ft. which is likely to expand 800,000 over the next five years. Turnover of the Prite Services Group should be £28m. in the first half of the year which should be subject renewal. In November, the company announced a pre-tax profit of £733,000 on a turnover of £20.5m. in the first half of 1976 compared with £511,000 of £19.5m. in the equivalent period of 1975. For the full year, the company's pre-tax profits rose 13 per cent. to £1.44m. on a turnover of £37m.

Barclays Bank Base Rate. Barclays Bank Limited and Barclays Bank International Limited announce that with effect from the close of business on 4th February, 1977, their Base Rate will be decreased from 13% to 12 1/2% per annum. The basic interest rate for deposits will be decreased by 1/2% from 9 1/2% to 9% per annum.

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مكتبات الصحف

HOME NEWS

Plan to reshape power industry hits snag

DISAGREEMENT between Mr. Anthony Wedgwood Benn, the Energy Secretary, and leaders of the nationalised electricity supply industry...

More try to obtain places at university

APPLICATIONS for university places rose by more than 9 per cent. last year—the second consecutive increase after several years in which the number remained almost constant.

Oil companies likely to receive £160m. in State aid

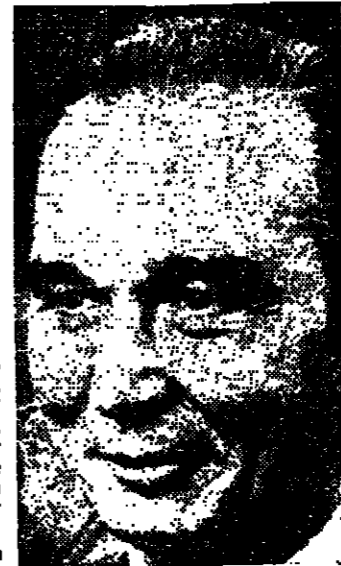
THE GOVERNMENT stands to hand out some £160m. in regional development grants to oil companies to help them build terminals, according to a highly critical report of the Comptroller and Auditor-General.

NEWS ANALYSIS — ULSTER VIOLENCE

Change of tactics by the Provos

BY GILES MERRITT

THE MOTIVE behind the killing in Londonderry of Mr. Jeffrey Agate, Du Pont's Northern Ireland general manager, by two gunmen, thought to be from the Provisional IRA is being anxiously analysed.



Mr. Jeffrey Agate who was shot dead outside his home on Wednesday evening.

This winter, shootings and a spate of booby-trap attempts on the lives of policemen in the Royal Ulster Constabulary and reservists have resulted in five deaths.

There remains, however, one major factor capable of dissuading the Provisionals from attacking industrialists.

With the resumption of IRA activity in Britain and signs in Ulster of an intensified campaign, Mr. Roy Mason, the Northern Ireland Secretary, could be about to face his first real security crisis since arriving in Belfast last September.

Senior army officers are concerned that their warnings last summer of reorganisation inside the Provisionals are now being borne out.

The change from para-military "battalions" and "brigades" to cells and an efficient cut-out system has greatly tightened the movement's internal security.

British Army and RUC co-operation is said to be better than ever, with a revitalised RUC increasingly turning the army's selective intelligence findings into evidence so that convictions now run at about 50 per cent. of arrests—twice as high as before.

Army officers nevertheless fear that since detention without trial is ruled out they have little in the way of emergency measures left in reserve to counter a determined Provisional campaign.

Inter-City 125 service boost

BRITISH RAIL'S Western Region is to increase the number of Inter-City 125 trains running on the London to Bristol and South Wales routes from Monday, bringing the total covering the route daily at high speed to 48.

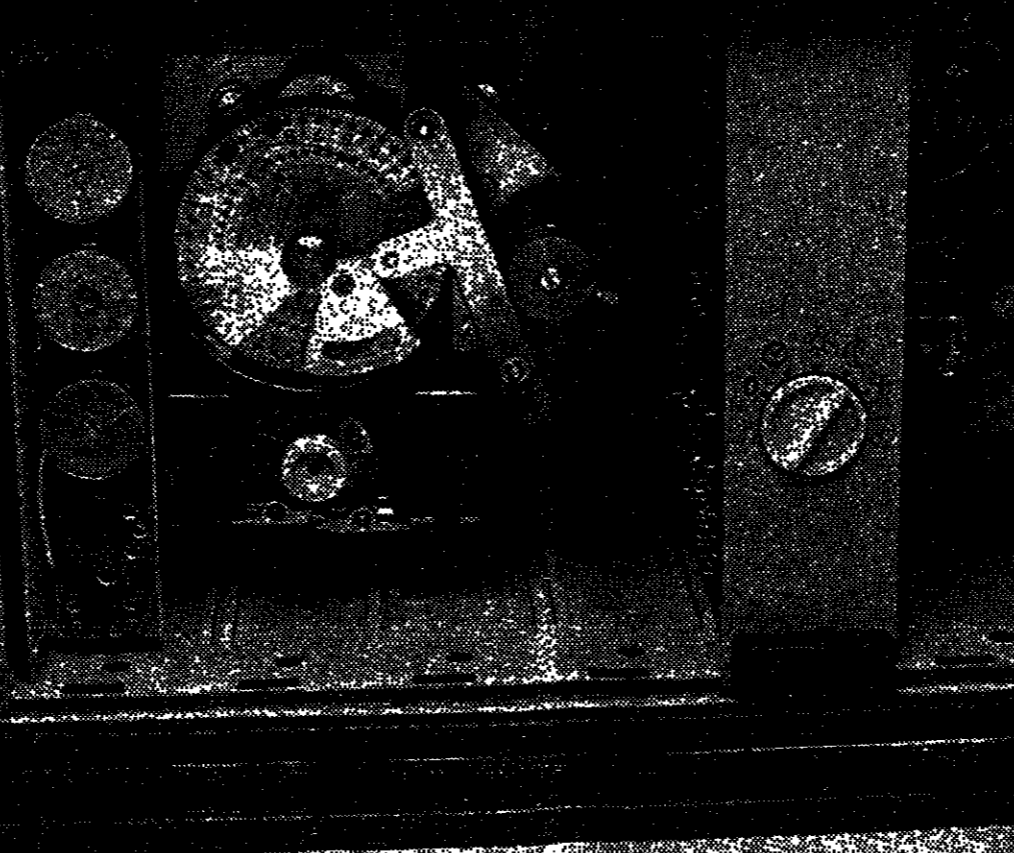
Gallaher £12m. investment

BY STUART ALEXANDER

GALLAHER is to invest a further £12m. over the next three to four years in modernising cigarette factories and buying new machinery in Northern Ireland and Manchester.

RUSTENBURG PLATINUM HOLDINGS LIMITED (Incorporated in the Republic of South Africa) The company regrets that in the Review by the Chairman published in this newspaper on Thursday, 3rd February, under the heading "Outlook" the possible dividend payments for the present financial year were compared to those of 1975.

THIS AMAZING DEVICE TURNED £7,000 INTO £12,000.



In 1975, TI Accles & Pollock, the West Midlands tube-makers, put £7,000 into this device. After only twelve months, their investment had returned £12,000—that's how much fuel it saved them.

their South Works factory, TI Accles & Pollock decided to install similar systems in the remainder of their Oldbury site. They've invested a further £15,000, but with savings estimated at over £25,000 a year, it's well worth it.

Department of Energy, Free Publications, PO Box 242, London SE1 0DE. Please send me the details of how TI Accles & Pollock benefited from Heat Optimisation, and your series of seven technical Fuel Efficiency Booklets.



HOME NEWS

Baking groups prepare for new round of price rises

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

ON THE day the six-week bread dispute was finally resolved, the big baking groups yesterday began preparations for another round of price rises. Bakers' associations said it was about to notify the Price Commission of its intention of raising the price of both its standard and large loaves by 1p in a month's time. This means that any price cuts resulting from the end of the van drivers' boycott of shops selling out-price bread may be largely wiped out next month by the manufacturers' price rises. The applications which, if successful, would take the maximum price in most parts of the country up to 22p, is based on the higher cost of flour and fuel, together with the cost of the additional discounts BHM has been giving some of its customers since the removal of the statutory ceiling on discounts last month. The other big baking companies - Associated British Foods and Spillers - French have both been affected by the same cost increases and it is thought they too will shortly submit applications for price rises.

European loan for telephone project

By Kevin Donohue, Industrial Staff

THE POST OFFICE has secured a loan of £18.5m from the European Investment Bank to help finance improvements to the telephone service in Northern Ireland. During the next two years the Post Office is spending £55m on expanding and modernising telecommunications in the province. The loan will finance part of the capital expenditure programme, which includes the building of 17 telephone exchanges, 124 extensions to existing telephone exchanges and the provision of 73,000 new exchange lines. According to the Post Office, the interest rates on the loan are lower than can be obtained in the U.K. The fourth made to the Post Office, is at a fixed 8 per cent, and will be repaid over ten years. The corporation has now borrowed £70.5m from the EIB for investment in telecommunications services.

Hotel fire risk rebuff by Spanish Tourist Office

BY ARTHUR SANDLES

ACCUSATIONS that some Spanish hotels "lack the most basic fire precautions" provoked waspish comment from the Spanish National Tourist Office last night. A team from the British magazine Building Design visited Spain recently and has produced a report which says that though the number of fires in hotels is high, failures to provide basic facilities "creates the risk of a major tragedy." The report quotes as an example an hotel fire at Benidorm two years ago, in which 39 Belgian holidaymakers were hurt, including a child, and 100 rooms were gutted. The service stairs were unaffected by the fire, but the tourists did not know they were there. "Such incidents point to the potential for a disaster of major proportions. Action is needed now to insure against such an eventuality," said the report. It suggested that in the hotels visited there were no fire exits, and that nowhere was the legal requirement of two extinguishers in ten bedrooms met. Bathroom ventilators which could quickly spread fire throughout a hotel are criticised. There is mention of a lack of fire alarms; no smoke or fire detectors; few emergency lighting systems. In hotels inspected "the only method of raising sleeping residents is by shouting 'Fire' or ringing all the rooms by phone from the switchboard." The Spanish National Tourist Office spokesman in London rejected the report, saying that most of the hotels were steel-reinforced concrete structures, and were not "in practical terms, inflammable." The reply went on: "There are a total of 23,114 hotels and guest-houses in Spain, most of them built over the past ten years. In the past ten years there were no deaths due to fires and only 12 injuries. Against this, in 1976 (the last year for which full British statistics are available) there were 1,044 hotel fires in Britain, 27 deaths and 102 injuries." The spokesman claim that local laws insist on comprehensive fire requirements. There were inspection three times a year. "We would doubt whether the Spanish experts would presume to advise British authorities on their regulations," say the spokesman. Anyway, there was some doubt whether the British fire record entitled a U.K. magazine to make such judgments. "It is therefore both the law and the practice in Spain, if a fire breaks out, for the staff who are trained in fire drill to station themselves at the various exits and direct guests to the safest place under the circumstances at that moment. "In common with most Continental countries and in common with practice in Britain, there is no legal requirement for fire doors or fire resistant doors on staircases in Spain, as these may be liable to create a further hazard in the event of rapid evacuation of the building. However, there is a requirement of fire resistant doors wherever doors exist. "The danger of a runaway fire in concrete and steel construction is of course far less likely than in older types of building. "There is legal requirement for two fire extinguishers to be supplied per ten rooms. There is no legal requirement for guests to have immediate access to these extinguishers, as the staff who are stationed on each floor in any case are trained to use these appliances. "Switchboards will almost invariably continue functioning even in the case of an electric fire; there is in practice an alternative method of providing power by a generator and or wet cell batteries which are switched in automatically in case of emergency power failure."

Meriden likely to lay off 600 to-day

AN UNEXPECTED delay in the Government announcement of its rescue plans for the Meriden Motor-Cycle Co-operative probably means that 600 of the 700 co-operative employees will be laid off to-day.

Finalisation of the rescue deal has run into trouble over methods of valuing some of the assets which the co-operative will take over from NVT, another Government-backed motor-cycle company. Legal details are taking longer to sort out than expected, and the statement is expected this week may now be put off until next week. Because of these difficulties, Mr. Dennis Johnson, the co-operative chairman, expects the most of the workforce will have to be laid off for the rest of the month.

Statement

This is to allow concrete stocks of 1,500 Bonnevill machines to be run down during negotiations to acquire machinery and other rights from NVT. Fewer than 100 workers at Meriden are expected to be laid off by the end of the month.

BSC in sheet steel sale drive

BY ROY HODSON

THE BRITISH Steel Corporation is to start a sheet steel sales drive to recover trade lost to imports. Mr. Michael Robson, commercial director of the corporation's strip mill products division, explained the plan to customers yesterday at an Institute of Purchasing and Supply Conference in London. He also said that the corporation would not raise prices on strip mill products at least before the middle of the year although the corporation needed to. "That was the first public confirmation of the corporation's new policy to hold prices which is understood to include nearly all forms of steel products. The Corporation's share of the steel market has fallen dramatically over the last two years because of labour and production troubles in the strip mills. But production is running smoothly again. "We are more optimistic about our production position than we have been for a very long time," said Mr. Robson.

Clyde jobs may be saved

BY JOHN WYLES, SHIPPING CORRESPONDENT

SCOTT LITHGOW, the Lower Clyde shipbuilders, is believed to be close to clinching an agreement which could remove the threat of redundancies for up to 1,500 of its employees. The jobs were put at risk by Maritime Fruit Carriers' default on payments due for the construction of a 262,000 d.w.t. oil tanker. The company suspended work on the vessel last summer and in collaboration with the Department of Industry has searched hard for alternative buyers. It is understood that a purchasing agreement may be signed shortly with a shipping company whose name is as yet undisclosed. This would clear the way for initial steel fabrication work within a few weeks, and would provide employment for workers at the company's Cardryke yard who are now very close to redundancy. The Government came under strong pressure last month to finance the speculative construction of the tanker from a delegation of management and union representatives, MPs and civic officials from the Greenock area. It is understood that the Department of Industry has set its face against this course but has been co-operating in devising a financial package sufficiently attractive to interest a prospective buyer. The contract price of the tanker was £22m, but the deal at present under negotiation will almost certainly close on a lower figure. However, it is understood that a substantial portion of the payment would be made in cash. The tanker is expected to guarantee 3,000 workers employment for up to 15 months. Final agreement would leave the company free to resume its search for an alternative buyer for a dynamically positioned drillship.

Local authority home loans down

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

MORTGAGE lending by local authorities accounting for only 2 per cent of all home-loans made during 1976, according to estimates produced by the building societies. Figures from the Building Societies Association show that, as a result of Government imposed restrictions on local authority lending, councils in England and Wales advanced only £146m last year to home buyers compared with £636m in the previous 12 months. The association also estimates that mortgages from insurance companies during 1976 totalled £205m (8 per cent) - in the previous year, they lent £240m. During 1976, the societies themselves lent £6.1bn, accounting for the remaining 85 per cent. This level compared with 85 per cent in the previous year and is a little above the percentages reached in 1971 and 1972, during the last "boom" according to the Association, building societies last year made a record 194,000 advances in England and Wales on houses built before 1919. This represents an increase of 39,000 on the previous 12 months and a record 22.8 per cent of all loans made during the year. Commenting on the figures, Mr. Norman Griggs, secretary-general of the Association, said: "The end of December, building societies had approved mortgages totalling £130m in England and Wales for people nominated by local authorities. They also considerably increased their lending on older houses outside the formal scheme."

Leyland also raises prices

BRITISH Leyland will raise its car prices by 6.5 per cent on Monday. The rises which follow those by Ford and Chrysler, will leave the smallest Mini £175 cheaper than the smallest Anglia Fiesta.

There are signs that the new Leyland prices have been set with the arrival of the Fiesta on the market in mind. The Allegro 1100 two-door, for instance, at £1,971, will be about £200 cheaper than the cheapest Fiesta 1100 (£2,178). Many manufacturing companies switched to foreign steel-makers during the Corporation's production difficulties and are unwilling to break relationships with their new supplies.

Advertisement for Golden Hope Plantations Limited. To all Shareholders of Golden Hope Plantations Limited. 'NO' TO HME. Consider:- 1. Relative Values of the Offers. Your Board has still declined to place any value on HME shares. On the basis of current market quotations for London Asiatic and Pataling, which have not been influenced by the Genting offer for Golden Hope, HME shares would only be worth approximately 44p. This means that the HME offer would value Golden Hope at a mere 69p per share. Compare this with 96p in cash, the highest price ever offered for Golden Hope shares. Should you be uncertain about the relative values of the offers you should take into account that HME's offers for London Asiatic and Pataling may well become unconditional next Monday and, in this event, the HME shares will be listed on The Stock Exchange shortly thereafter and their true market value will become readily apparent. You may feel, therefore, that it is in your interest at least to wait and see if this occurs next week. The Genting offer does not close until 18th February at the earliest. 2. Uncertainties of HME's Second Stage Proposals. The value of HME shares depends to a significant extent on the second stage proposals regarding emigration to Malaysia referred to in the merger document. These proposals presumably involve another Scheme of Arrangement requiring not only the necessary approval of shareholders but the subsequent approval of the High Court, as well as the agreement of the appropriate authorities in the U.K. and Malaysia and the obtaining of a listing on the Kuala Lumpur Stock Exchange. Only then can U.K. resident shareholders obtain the benefit of the investment currency premium, the value of which may, of course, be very different from now. Your Board has made no attempt to estimate when such second stage proposals can be effected nor indeed has it indicated whether such proposals will again incorporate a cash option. In view of your Board's comments on the Genting offer you may be disappointed that it has not indicated whether a higher cash option will be provided and, if so, whether it will be as restricted as the last one. 3. Cash is Cash. We feel that you should give due weight to the fact that the Genting offer is in cash now and HME has not chosen to give you a cash alternative. You are, therefore, being asked by the Golden Hope Board to take all the risks inherent in the future value of HME shares in preference to the certainty of the Genting offer. The Golden Hope Board has commented at length on the capital gains tax aspects of the Genting cash offer, but capital gains tax always arises when one wants to sell shares. In our view it is totally wrong to value an offer on a post-capital gains tax basis especially when one has taken, as has the Board of Golden Hope, an example calculated to show a particularly high tax liability, based as it is on the position of a shareholder of twelve years' standing incurring the maximum possible tax. DO NOT BE RUSHED INTO A PRECIPITOUS DECISION. THE GENTING OFFER DOES NOT CLOSE UNTIL 18th FEBRUARY. * The notional price for HME shares calculated in paragraph 1 above is based on the middle market quotations of London Asiatic and Pataling as shown in The Stock Exchange Daily Official List on 2nd February, 1977, adjusted for the special dividends referred to in the merger document.

Companies Act deadlines given

BY MICHAEL LAFFERTY, CITY STAFF

THE TIMETABLE for implementing the main provisions of the Companies Act, 1976, was outlined in the Commons yesterday by Mr. Stanley Clinton Davis, Under-Secretary for Companies, Aviation and Shipping. Among the Act's principal provisions are requirements for companies to file their accounts with the Registrar of Companies within a fixed period and to have accounting reference dates. It also reduces the threshold for disclosure of interests in shares from 10 per cent to 5 per cent, and gives listed companies the right to ask for the names of the beneficial owners of shares held under nominee names. The following is a summary of the Act, with the implementation dates for the various sections: Accounts—Sections 1 to 11 contain a new procedure for filing company accounts with the Registrar of Companies, replacing the requirements of the Companies Act 1948. Companies must file within a fixed period, normally ten months for private companies and seven for public, after each accounting reference period. Before the system comes into operation, all companies will be asked to tell the Registrar the date on which their accounting reference period ends so that he knows if a company has failed to file on time. (Implementation date, March 1.) Section 12 tightens up requirements on companies' accounting records, so that they are available for inspection at any time. (October 1.) Auditors—There are important changes to the law, including tightening qualification requirements and amending procedures for their appointment and removal. (April 18.) Returns to Registrar—The law on information to be supplied to the Registrar about a company's directors, secretary and registered office is amended. (April 18.) Notification of interests in shares—The law on disclosure of interests in shares is amended, including a reduction from 5 per cent to 10 per cent in the threshold for notification of any class of voting shares, and from 14 to five days in the period for notification. Listed companies will have the right to require registered shareholders to disclose whether they are beneficial owners of shares, and if not who has an interest in the shares. (April 18.) Disqualification Orders—The Secretary of State can apply to the courts for an Order disqualifying a person from acting as a director of a company for up to five years if he has been persistently in default in filing returns. (June 1.) Welsh companies—The Act regularises the use of the Welsh language under the Companies Act, and permits use of "cwyngedig" instead of "limited" in certain cases. (April 18.) Overseas companies—The Trade Secretary can prevent a foreign company with a place of business in the U.K. from trading under a misleading name. (April 18.)

Plea for tax change

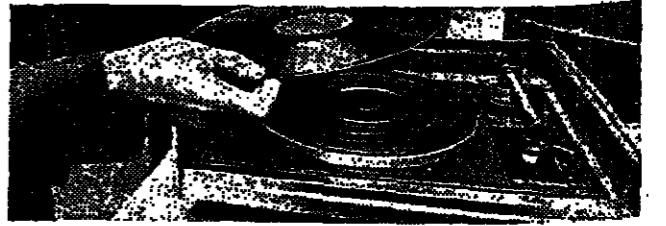
BY JAMES McDONALD

MR. DENIS HEALEY has been asked by the National Chamber of Trade to give special consideration to the needs of smaller businesses when drafting his Budget proposals. The Chamber, which represents about 800 local chambers of trade and commerce and 33 national trade associations, calls for "absolute priority to be given to counter-inflationary measures. Although the Chamber supports a further stage in the Government's wages policy, it believes that the present policy, which it describes as "rigid," needs to be modified to provide an incentive to increased effort by the skilled worker, those in managerial positions, and proprietors of private enterprises. "A relaxation in the present policy regarding the taxation of investment income and of profits reinvested in business would do much to restore confidence and persuade investors and business proprietors to utilize savings and profits for productive purposes." At present, the Chamber says, the pressure of taxation leads to serious cash flow problems. "The burden of capital income taxes, together with inflation, threatens the existence of smaller businesses and makes almost impossible for them to develop or to finance the additional working capital necessary and the replacement and improvement of plant and premises." In another submission to the Chancellor, the National Federation of Self-Employed and Small Businesses has asked for an increase in the personal income-tax allowance. It states that, if smaller business concerns are to survive the effects of a major shareholder and reduce their tax burden, there should be more relief from capital gains tax. The initial registration for V should be raised from £5,000 to at least £20,000 "and there should be some form of reimbursement for business start-up costs of less than £100,000."

NEWS ANALYSIS - HI-FI EQUIPMENT

Japanese imports turn table for major U.K. manufacturer

GOLDRING, THE hi-fi turntable and cartridge manufacturer appointed a receiver yesterday after two years of losses because of competition from Japanese imports. The receiver, appointed by Barclays Bank will decide in the next week what is to be done with the company whose turnover has been slipping from a peak of £2.5m in 1973 to £1.6m in 1975. Ironically, Goldring has been doing quite well in exports helped by its range of magnetic pick-up cartridges, the G900. Nevertheless, the company has been heavily dependent on the U.K. market where hi-fi sales have been depressed for the past two years. About 80 to 90 per cent of Goldring's business has been in the U.K. Most of the turntables sold by Goldring are manufactured by Lenco in Switzerland, so that the falling value of the pound has made its price uncompetitive with Garrard, the major U.K. manufacturer in the field, and with low-priced Japanese imports. According to Mr. Derek Smith, managing director of Lasky, the leading U.K. hi-fi retailer, the Goldring turntables have not been suitably styled for the U.K. market. Lasky stopped stocking them two years ago. This decision was a severe blow to the company, particularly because it did not have a share of the market for turntables incorporated in radiograms and music centres. In the last three years Japanese imports of separate turntables have soared from less than 10 per cent to about 60 per cent of the market, which now stands at about 200,000 units a year. Lasky is selling large numbers of Japanese units, which Mr. Smith says are competitively priced, attractively styled, and give good performance. Top selling brands are the Pioneer PL112D, a belt driven turntable retailing at £55 to £60 and the TCI 1033 at about £3 less. Mr. Smith says the Goldring turntables, using a rim drive, were technically old-fashioned compared with the Japanese imports. The difficulties of Goldring and the rise of the Japanese in the medium-priced hi-fi market, have as yet, only dented Britain's world supremacy in the total turntable market. BSR, the biggest company with a turnover in its sound reproduction division of nearly £62m, in 1976, has about 70 to 75 per cent of the world market. It has major exports to Japan and to the U.S., with a concentration on cheap high-volume production of turntables to be incorporated into other sound systems. BSR has been trying hard to capture a greater share of the hi-fi market; but its new and technically advanced turntable, the Accutra, is said to be rather too expensive for the U.K. market. Production has been less than planned, although sales in North America have been quite good. Second, after BSR, comes Garrard, which has concentrated on the higher end of the market. It has about 10 per cent of the world market, and is the U.K. brand leader with some 25 per cent of the separate units. About 70 per cent of its production is exported. Five or six years ago Goldring could have been counted in the same league with about 20 per cent of the U.K. market, but since then the company's share has declined. The U.K. market breaks roughly into two parts, the larger of which, dominated by BSR, is for units to be incorporated into other audio systems. It accounted for about 1.05m units in 1976, of which BSR had about 65 per cent. Philips and Garrard each had less than 20 per cent. The second part of the market is separate medium range units accounting for about 200,000 units last year. Garrard, at 25 per cent of this market, is followed by Pioneer, Japanese brand with 15 per cent, then BSR with 10 to 15 per cent each. While BSR has shown a continuous growth and expansion helped by its almost unassailable position as a big volume producer, Garrard suffered its 1974 decline in sales in part because of its failure to lay off and considerable indebtedness to its parent company, Plessey. More recently, Garrard had improved its position and, with a modernisation plan costing £10m, seems poised to improve its position again. Under the managing director, Mr. Peter Moon, the company is planning to diversify and to expand into Europe one of the main sales areas. Max Wilkins



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مكتبات الصلح

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHMIDT

PROCESSING

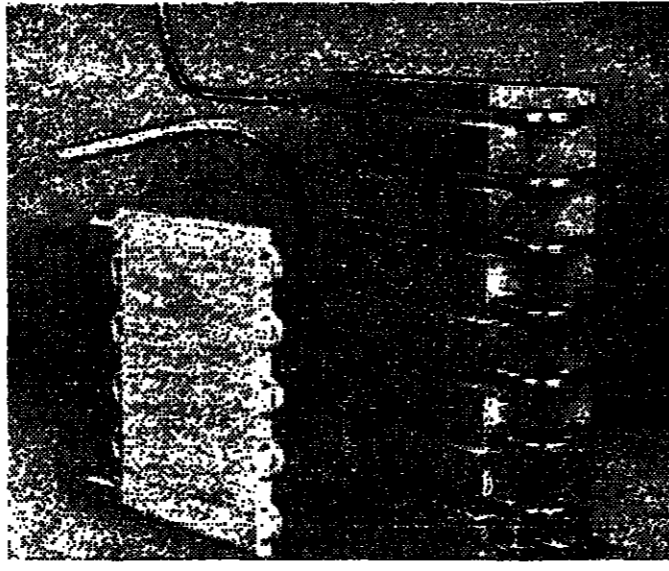
Condenser power in a tiny unit

CONDENSERS for chest freezers there are a number of possibilities. The use of an air filter, as a rule, is bulky. However, a more compact design is possible which will still maintain cooling capacity.

This optimum condenser design allows of reducing the volume of the condenser by a factor of 30 without any loss of cooling capacity even during prolonged use.

Basing themselves on aerodynamic analyses of the design of the condenser the Philips Research Laboratories were able, by the use of a fine mesh lamellar construction, to reduce the dimensions of the condenser drastically without impairing the cooling capacity in any way.

An important point then became that the narrow gaps between the lamellae, through which the fan had to blow the cooling air, did not become clogged by dust. To achieve this



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SERVICES

Amsterdam centre for Mark III

OPENING of a new large computer facility near Amsterdam by General Electric Company of the U.S. marks the establishment of the first centre outside the U.S. to support the world-wide activities of the Mark III time-sharing network, now the most extensive in existence.

This network has some 100 computers installed in it and uses both satellites and cables to connect service centres in most advanced countries with the very large data centres GE has set up in Maryland and Ohio. As time goes by, Amsterdam will be integrated with these and will ultimately be serving customers in North America, Japan, Australia and Europe.

GE claims reliability and availability levels better than 99 per cent. due to advanced software and control techniques allowing several computers to obtain access to many databases at the same time.

The costs for the new centre in Holland have been given as \$5m. of which around \$3m. is for

the computing equipment. Meanwhile the worldwide remote computing market is now approaching the \$1bn. level. What the Mark III share of this could be is not disclosed, but with over 100 computers in use and more than 800 large users in 30 countries, the service must be taking an appreciable fraction of the overall total.

That it is profitable is underlined by the tenacity with which GE is holding on to it though the company divested itself of virtually every other computer involvement some years ago.

METALWORKING

Furnace for non-ferrous refining

A RANGE of integrated rotary furnace systems, called Rotaflex Concept 1400, for the reduction, smelting, reclamation or melting of mainly non-ferrous metal and metal ores, has been developed by Tolltrack, Friar Street, Droitwich, Worcs. WR9 8ED (09057 5661).

The system includes charge and product handling equipment, encapsulated to improve hygiene conditions; a parametric range of short and long rotary furnaces,

with change speed, reversible drive trains and support rolls; improved refractory design; rail-mounted exhaust flue and burner assembly; and economic flue gas and emission control systems, to improve performance.

The company says it designs, supplies and installs a whole furnace system on a turnkey basis.

MATERIALS

Easy error correction

ADDITIONAL to the Sperry Remington SR101 golfball typewriter is ECF or error correction facility.

There are two ribbons rather than one. A newly formulated backing for typing leaves an image which can, after mistyping, be lifted off by hitting the same wrong key so that the character impression is through the second, correction ribbon. The latter has a coating of low tack adhesive.

The second ribbon is mounted on the same cartridge/golf ball transport platform and there is an extra "correct" button on the keyboard to invoke the tacky ribbon. More from Remington House, 35 Station Road, Wood Green, London N22 6UT (01 888 1255).

TRANSPORT

Automating the trains

DESIGN to transfer data from track to train to stop trains automatically in stations and at intermediate signals equipment is being provided by Plessey to Great Glasgow Public Transport Executive as part of the modernisation of Glasgow underground.

It relies on a beacon (or transponder) installed in the track which transmits coded information to equipment mounted in the train. This checks and decodes the message, then passes a command signal to an automatic train controller. The track-to-train communication system, manufactured by Plessey Traffic, of Poole, can also be used for speed control in restricted areas.

The beacons are sealed units of rugged construction, powered by induction from the passing train, thus requiring no local power supplies or batteries. On the approach to each station two beacons are mounted in the track approximately 150 metres and 4 metres from the required stop line. The first generates the initial braking command to start the braking sequence, the second generates the final braking command to stop each train accurately in the station.

Similarly, trains can be stopped at intermediate signals. In this case the beacons are automatically switched on or off by an external signal derived from the trackside signalling system. If for any reason a train passes a stop signal, the brakes are applied automatically by an entirely separate and independent system.

Starting of trains at stations or intermediate signals is controlled using switched beacons

London's underground railway and perhaps for underground railways elsewhere.

At Washwood Heath, the last two standard 3-car units to be manufactured for the new Piccadilly Line rolling stock are being modified for new propulsion equipment, to be fitted for experimental and testing purposes.

Aspects of the new system include power saving by "chopper" control of propulsion using equipment which turns continuous current used by the traction motors into a series of pulses. Other features are regenerative braking and light weight and compact traction motors as powerful as the full sized ones.

A more simple wiring system using eight wires to cope with electrical circuits which normally need up to 120 conventional wires is involved.

The experimental trains will include similar products from rival firms which include GEC and Westinghouse. Modification

POWER

Supplies for big computers

LOW NOISE 75 kVA frequency converters known as Super Silent Block are offered by Anton Piller U.K.

They have noise levels of about 60 dB measured at three feet distance and therefore easily meet the NR-55 specification for noise levels within computer rooms. The units are "IBM Vendor" approved and are suitable for the 370/168, 168, and Audabil systems.

An efficiency of over 90 per cent. is achieved and the company claims that the mean time between failure of the equipment is at least 130,000 hours, with negligible maintenance costs and minimum down-time. Piller is at Love Lane, Cirencester, Glos. (0285 61377).



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COMPONENTS

Eases the plumbers' problems

COSTING LESS than brass, a new design of tap connector, which the maker claims could revolutionise plumbing practice, has been launched by IML Opella.

Made from Kennatal, a tough engineering grade copolymer already used for Opella taps and mixers, the connector extends the length of a tap tail pipe, making installation easier in confined spaces beneath bath and basin taps.

Connector to tailpipe seal is created by a special sealing ring which obviates the need for sealants such as tape or washers. The maker says the connectors have been extensively tested, including 300,000 cycles of hydraulic pressurisation at 300 psi with water at 80 deg.C.—no failure has occurred even with a simulated misaligned connection.

Four versions of the connector, which is self-coloured white, are available: 1/2 inch BSP straight x 15mm; 1/2 inch BSP x 15mm elbow; 1/2 inch BSP straight x 15mm; and 1/2 inch BSP x 22mm.

More from the maker at P.O. Box 216, Wotton, Birmingham, B6 7EA (021-356 4949).

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TEXTILES

Making the right match anywhere

FOR MORE than ten years Marks and Spencer has been developing systems of accurately measuring and matching colours and it has taken this long for the company finally to introduce a system that enables it to be the only retail organisation in the world that can be sure of precise colour and shade matches. It is possible for a customer to enter an M&S store, buy a jacket and later return to that store—or another—purchase trousers and be sure they will match.

It is possible, of course, that trousers made for a store may be produced by a number of different suppliers while jackets might also be made by different firms. The cloth used could well be made to specification by different companies and then dyed and finished elsewhere.

Unless an agreed system of matching, which embodied various tolerances, could be agreed, it was impossible to attain a standard that would allow this new type of marketing.

Over the years, Marks and Spencer has been working with virtually anyone and everyone in the trade in an attempt to come to agreement over measuring and comparing colour. In the dyeing trade, for example, instrumental dye prediction, which is now aiding the dyer in his search

for recipes to give a colour and shade most economically, is increasingly being used. M&S has established a standard light throughout its stores, both here and abroad, so that all things behave equally and look the same beneath it.

Now, in collaboration with Instrumental Colour Systems (13 Bone Lane, Newbury, Berks BG14 5TE. Tel. 0635 46773) the final link has been forged.

The new system is based on the ICI Colour Difference Meter and linked to a computer into which has been written calculations supplied by Marks and Spencer. In this way about 100 samples per hour can be checked for degree of match and, depending upon the tolerances, they will be grouped as "Pass," "Inspect" or "Reject." All the information relating to a batch of say 600 pieces of cloth, is printed out and the percentage of samples within the agreed tolerance is shown.

Once the standard required has been established, this is incorporated in the memory of the computer and can be retrieved at will. What is particularly interesting is that with this new grading system it is even possible to check very dark colours.

From preliminary figures it has

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The Property Market

BY QUENTIN GUIRDHAM

Pressure for new statement on office locations

done a good, economical job, but that its original purpose was fulfilled. The long-term trend to decentralise would continue without prompting.

The Minister said he hoped to bring proposals for LOB before the House. But he moved in Agriculture and nothing has been heard since on either the ODP modification.

With the current Environment Secretary preoccupied with cuts, the housing review, rewriting the Rent Acts and saving the inner cities, and with no one much interested in building office blocks anyway, it is understandable that the ODP modification proposals have not surfaced. Besides, while naming the user after some of the planning procedures had been completed might seem an uncontroversial step, it is still possible that the next modifications to ODP control will be much more radical.

Remember that the Office Location Review stated bluntly that "The principal reason for introducing the control in 1964 — the decline in office employment in London — no longer applies, and it seems debatable whether special measures to further the objectives of the South-East Strategy are needed, given the objective of the control, which since 1974 has been given more weight, is the encouragement of transfers of office jobs to the assisted areas."

These transfers, to the outside, to the named later, will not provide a very significant percentage of new office jobs (with the exception of the creation of new central government functions). The gain in office jobs in assisted

but that the gap will be closed, and continue to expand the Bureau's intelligence centre function, for instance, in analysing what all the local structure plans mean in terms of national office space planning.

Many will have their doubts as to whether this is a viable role. It being pretty vague in comparison with the present decentralisation brief. The Location Review had its doubts. The Bureau's independence would, it said, be compromised and therefore its usefulness diminished, if it was only concerned with pushing clerical jobs to the assisted areas. The Review fell back on the thought that "there might be a wider role in promoting a better national distribution of office jobs."

If this is the chosen role, then the terms of reference for a revamped Bureau, plus the need to renew or alter existing ODP powers, will later this year force the Department of the Environment into a more positive statement of where it thinks the new offices of the 1980s should be.

Meanwhile, left in a limbo by the political pressures to keep any jobs in London, the LOB continues to dispute the claims of its opponents. In reply to Norman Howard, it points out that his figures are wrong. In using 120,000 as the number of jobs it has moved out of London, because 47,000 of these have gone elsewhere in the Greater London area.

It also, on the employment statistics front, quotes a survey maintaining that there are six secretarial or general office vacancies for every available worker in the central area.

"The high rates of unemployment in inner London have resulted from the loss of manufacturing and services jobs, but not of office employment," says the Bureau. Even so, it has probably worked itself out of one job and into a much harder one.

That they will get one is not in doubt. Some draft terms of reference for a modified role already exist. Briefly, the betting on the terms favour these points: tone down the decentralisation from central London; bring the broader field of balancing the South East's share of office jobs — over 30 per cent. of all jobs in the region — with the around 20 per cent. average elsewhere; not with the intention that the twin will ever meet.



Anyone in doubt that the investment market, for the best combinations of tenant and building, is still extremely buoyant may take note of Cumberland House, Southampton. It has been sold, and completion was at the start of last month before MLR started coming down, at an initial yield of 5 per cent. The area is 31,725 square feet and the development was pre-let by London and Provincial Shop Centres (Holdings) to 1973 to Midland Bank at a rental of £100,000 a year. It is a 35-year lease with five-year reviews, the first in less than two years, and for the last 15 years the reviews are every three years. Part of the building is sub-let to the Department of Health and Social Security. So most of the factors are calculated to produce a prime yield, and the investment went to Scottish Mutual Assurance Society for around £2m. There was apparently strong competition during the short period that the building was on the market. Weatherall Green and Smith acted for the buyers.

OUT AND ABOUT

Dimdale Developments (South East) has pre-let a 10,000 square foot office development in Hornsey, London, N.8, to let to Freeman's mail order at the Borough of Haringey. Dimdale is developing in partnership with Crowl Properties, a subsidiary of Associated Newspapers, and the building will be completed in June. Rent agreed is £34,000. Brian Cooper and Co. in conjunction with Warrington and Co. acted for the developers.

Sommer-Allibert (U.K.) subsidiary of Europe's largest injection moulding group, is setting up its first U.K. manufacturing operation, taking a long lease on 20,000 square feet at St. Oswald's Industrial Trading Estate, Gloucester. Price involved is around £160,000 and local agents were Bruton Knowles.

In the City, Nisho-Twal, Japanese trading group, has taken 25,000 square feet of the Corporation's Bastion House (David W. Gibson acting for the tenants with Debenham Tewson and Chinlocks and the City Surveyor doing the letting). The remaining 56,000 square feet is being offered at £65,000 per 6,200 square feet floor. In taking the Arab bank in Great Portland Estate's development at Nos. 92-104 (the offices went to Stewart Wrichtson) has finally been named as the National Bank of Abu Dhabi. It is taking 12,475 square feet and extensive letting out is in progress. Savills acted for the bank and Jones Lane Weston for Great Portland. And at 54, Leadenhall Street, SENTRY Insurance has taken a 24-year lease on 20,000 square feet of the Furness Withy building in which Inter-Caledonian did £1.25m. worth of refurbishment before falling down on the funding and giving the space back to F. W. Savills acted for SENTRY, and Richard Ellis and Mathews and Goodman for Furness Withy.

Warehousing totalling 57,000 square feet on site of three acres at Manning Road, Rourne, Lincs, let to Freeman's mail order at around £40,000 a year, has been sold for around £350,000. Ratcliffe's represented the buyers, an insurance company, which shows a net yield around 10.7 per cent. A price only slightly below this was obtained for a 18,000 square feet factory and warehouse investment in Stafford Road, Croydon. The one is let to Cannon Copiers (U.K.) for £31,500. Buyer was Grand Metropolitan Property Fund and seller Patrick Dorey and Co. to whom the property was transferred by Leonard Green and Co. acted for the fund.

Samuel Properties has bought the freehold of 24-28, Queen Victoria Street, Reading, including two shops and 5,000 square feet of offices. Current income is £40,000 a year. Vendors were represented by Healey, Baker and Martin and Paul Nicholas Stracey acted as Samuel, and long-term lease was arranged with pension for clients of Harold William Bennett and Partners.

Tarmac Properties has bought a half-acre site with planning permission for 45,000 square feet offices in Ardour Road, W. Chester. There is a pre-letting to the Department of the Environment and the price was about £1m. Vendors Hamilton Holdings were advised by Debenham Tewson and Chinlocks and Tarmac by Hammill Phillips Partnership.

The Leicester Promoters Campaign reckons that 244,000 square feet of office space was let in the city in 1976, leaving 800,000 square feet of modern offices still available.

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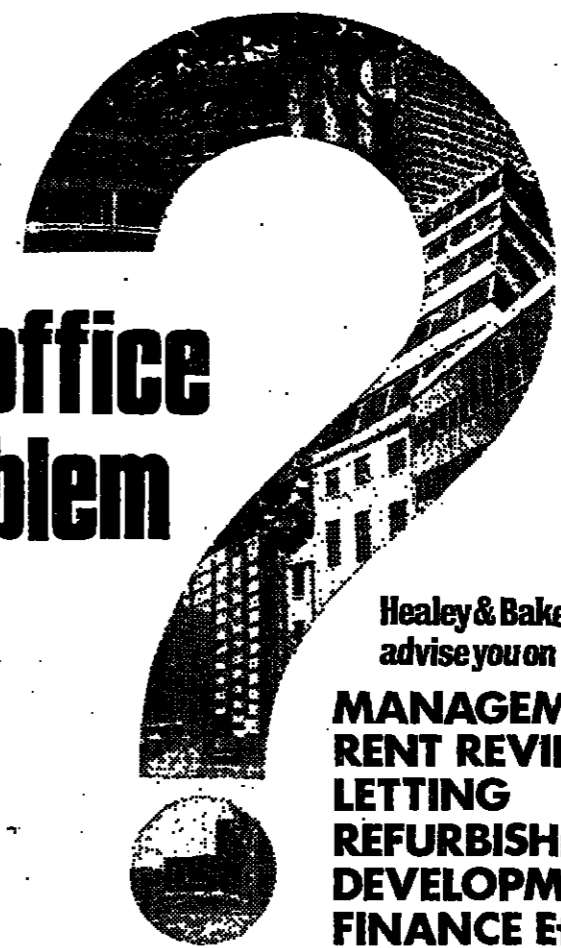


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LABOUR NEWS

Top civil servants 'should be given £3,000 rise'

BY DAVID CHURCHILL, LABOUR STAFF

TOP CIVIL servants should be given pay rises ranging to almost £3,000 a year to compensate for inflation over the next 12 months, Lord Boyle, chairman of the review body on top salaries, suggested yesterday.

The £6 pay policy was in force. This meant that the head of the civil service, the permanent secretary to the Treasury, and the Cabinet secretary should have had their salaries increased from £20,175 to £23,000 from the beginning of 1976.

He said that a possible way of keeping future civil service pay rises within the cash limits system, whereby departments have to conform to strict budgetary controls, was by timing the pay research and awards before full costs were made.

He told the Commons expenditure committee that the time has now come to implement the remainder of the review body's recommendations on top salaries.

Permanent secretaries should have had a £2,250 increase (to £21,000) and deputy secretaries a £1,000 rise (to £15,000). Lord Boyle "regretted" that his recommendations had not been implemented because they had been deemed necessary at the time they were made.

Mr. Burrett also revealed that the number of applicants to join the civil service had risen in the past year, "the quality perceptively and markedly improved."

Union veto of print technology plan feared

VOTING BEGINS today in the ballot of newspaper workers in Fleet Street and Manchester on the programme for action designed to facilitate the introduction of new industrial technology.

There are strong indications that members of at least some of the unions involved will not support the package, despite the fact that the programme is recommended by leaders of five unions.

Criticism of renewing pay policy grows

BY OUR LABOUR CORRESPONDENT

NEGOTIATIONS BETWEEN the TUC and the Government for a further stage of wage restraint to begin in August—already denounced by leading Leyland shop stewards—was criticised yesterday by one of the contenders for the general secretaryship of the Transport and General Workers Union.

Yesterday, shop steward representing about 7,000 British Steel Corporation workers, Corby, Northants decided to start a similar campaign.

Mr. Vernon Morgan, the director of the Civil Service pay research which provides statistical comparisons between pay levels in industry and the civil service, told the committee the unit was at present valuing its research work in preparation for a return to salary negotiations when pay restraint was lifted.

Redundancy

A fourth, the National Union of Journalists, is still considering what form the ballot should take following criticism that the straightforward yes/no format originally proposed would not enable members to vote on individual parts of the package.

9,000 workers idle at strike-hit Leyland

A SERIES of strikes at Leyland had made nearly 9,000 workers idle and disrupted production of 300 cars at Longbridge.

The Castle Bromwich body had made nearly 9,000 workers idle and disrupted production of 300 cars at Longbridge.

More young jobs forecast

MR. JOHN CASSELS, director of the Manpower Services Commission, said yesterday: "There are going to be many more school-leavers chasing jobs this summer than there are jobs for them. All the signs are that the going will be tougher this year even than last."

It is a problem which Government has been contemplating for some time now with considerable apprehension. They are going to put it down, but it is not going away. Yet it can be solved without confrontation if those whose hands the power lies in the longer term, it seemed war.

Massey strike split may grow

BY OUR MIDLANDS CORRESPONDENT

INELIGIBLE for unemployment benefit. Under a clause of the Employment Protection Act which came into force on Tuesday, the automatic disqualification no longer applies. However, whether or not the 2,350 laid off will be able to continue to draw unemployment pay could provide a test case.

Similarly, the 1,000 work still in employment could themselves without benefit refused to cross the picket line.

Protest over employment premium plan

MR. COLIN BAKER, chairman of the Northern Economic Planning Council, has written to Sir Henry the Chancellor to protest about the Government's investment plans and has severely disrupted their budgeting.

Mr. Baker said yesterday: "The decision has had an immediate impact on industry in a region such as ours. We already have some evidence that it is causing companies to reconsider their investment plans and has severely disrupted their budgeting."

Mr. Baker said the Council felt it impracticable to press for the decision to be overturned. What did concern them was that the Government had abolished an instrument which had directly to the economies of the development areas and appeared to be thinking of replacing it with measures which lacked relationship.

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How employees can grow used to owning capital

BY GEORGE COPEMAN

IN FRANCE the word "participation" still means, among other things, "having shares in the business." In Britain we have been led to mean having seats on the Board...

enterprise he had built should have a chance to become a shareholder. But he wanted all the employees in on the same basis...

U.S.-style Effective share schemes need time to mature. Two years ago this month a letter from Somerset House announced that a Board of Inland Revenue had discussed "U.S.-style" deferred profit-sharing schemes...

Simplicity What, in essence, is the effect of the Inland Revenue concessionary ruling described above and what would be the tax effect if the Riddsdale Bill were passed by Parliament?

At that time Habitat wanted a general employee share scheme. The chairman, Mr. Trencor, felt strongly that everyone who worked in the

APPOINTMENTS

R. Miquel joins Board of Dawson International

Mr. Raymond C. Miquel has been appointed a non-executive director of DAWSON INTERNATIONAL from April 1. He is chairman and managing director of Arthur Bell and Sons.

Mr. J. J. Francis has been appointed deputy-chairman of the DOBSON PARK INDUSTRIES GROUP. He joined Gullick in 1957 as works manager and subsequently became a director of that company...

Mr. W. C. Dale, formerly deputy chairman, has been appointed chairman and chief executive of Reed Corrugated Cases. Mr. A. R. Chalk has been made managing director of Spicer-Cowan.

LEGAL NOTICES

R. Miquel joins Board of Dawson International

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of WALSTRET (PROPERTIES) LIMITED and in the Matter of The Companies Act, 1965.

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of WILSON ENGINEERING LIMITED and in the Matter of The Companies Act, 1965.

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of RECORD TOWER CRANES. He joined the company in 1968.

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Bill of Rights study backed by peers

BY IVOR OWEN, PARLIAMENTARY STAFF

A BILL of Rights with entrenched clauses and, possibly, the introduction of a written constitution are among fundamental issues expected to be examined by a high-powered committee of the House of Lords which is to be set up as a result of an initiative by Lord Hailsham, former Lord Chancellor.

In the House of Lords last night, peers agreed, without a division, to his suggestion that the Bill of Rights, sponsored by Lord Wade (L.), introduced as a Private Member's measure and given an unopposed second reading, should be referred to a special Select Committee instead of being allowed to follow the normal legislative course.

The central question on which the Select Committee will report is whether a Bill of Rights is desirable and, if so, what form it should take.

Lord Hailsham again spoke of the dangers posed by "an elected dictatorship" in the House of Commons and predicted that if Lord Wade's Bill, which seeks to incorporate in the domestic law of the UK the European Convention on Human Rights, were passed by the Lords in the

normal way, it would only "run into the sand."

But, he suggested, more fruitful results might follow from a fundamental examination of the issues by a powerful committee of peers.

With many of his fellow Tory peers nodding agreement, Lord Hailsham said to the way the Government had circumvented the rules in the Commons governing the Bill of Rights, the Bill nationalising the aircraft, ship-building and ship-repairing industries to justify his assertion that a Bill in the form proposed by Lord Wade would have no practical value.

A modern Commons majority—an elected dictatorship—would not hesitate for a moment either to suspend its own rules or to amend legislation if one of the main Bills in its programme was at stake.

This situation would continue so long as one Parliament could amend or repeal Acts passed by its predecessor.

Lord Hailsham cited the interest aroused by his Dumbleby lecture—when the subject was chosen by the BBC and not by himself—as an indication that

Crosland response to 'abduction' fiercely attacked by Tories

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

NEW MOVES by the British Government over the alleged abduction of 834 schoolchildren from Rhodesia into Botswana failed to appease the anger of Tory MPs in the Commons last night.

Mr. John Davies, shadow Foreign Secretary, condemned the Government's latest response as "inadequate and frigid" and said it was in keeping with the "serene and Olympian detachment" that Mr. Anthony Crosland, Foreign Secretary, had shown to the Rhodesian crisis throughout.

He claimed that the Government's totally inadequate response to the incident and the issues that flowed from it could lead to a chain of events "almost limitless in their horror and danger."

The House was holding an emergency debate on the case of the schoolchildren who were taken from a mission school in Rhodesia, near the border with Botswana at the weekend.

The debate was initiated by Mr. Ronald Bell (C, Beaconsfield) who moved a vote of censure on the Foreign Secretary for his handling of the affair.

Mr. Edward Rowlands, Minister of State at the Foreign Office, answering in the absence of Mr. Crosland, said that earlier in the day, our representative in Geneva had spoken to the International Red Cross.

As a result, Red Cross representative would go to Gaborne,



MR. JOHN DAVIES "Consequences almost limitless"

that they had left willingly in order to escape the Rhodesian security forces.

Much to the disgust of the Tories, Mr. Rowlands took a similar line to that of Mr. Crosland the previous day. He emphasised that Britain first had to decide whether the Rhodesian or the Botswana version of the incident was the true one.

Mr. Rowlands also told the House that he had instructed our High Commissioner to make representations to the Botswana Government that the children should not be moved outside Botswana until the full facts of the case were established by an independent body.

This was in response to the assertion by Mr. Bell that Mr. Joshua Nkomo, the African nationalist leader, was systematically abducting villagers from Rhodesia to build up his own private army which would be prepared to fight the other nationalist factions after independence.

According to Mr. Bell, these enforced recruits were later moved out of Botswana into Zambia and then on to Tanzania. There they were indoctrinated and a few of them were even sent to Russia.

During the debate, Mr. Rowlands's repeated refusal to condemn those responsible for the incident further angered the Opposition. He deplored the involvement of schoolchildren in the conflict but, at the moment, it was in no position to determine the true facts of the case.

Mr. Davies reminded the House that on the previous day Mr. Crosland had said that the Government would not make an approach to anybody until the true facts were known. Obviously he thought the latest action had only been taken after Mr. Crosland knew he had to face an emergency debate. It seemed intolerable that the Foreign Secretary had to be provoked into taking any of this degree of action.

According to Mr. Davies, Mr. Crosland seemed to be indifferent to the issues involved. But he suggested that the Foreign Secretary might think differently if one of the children involved had been his own.

He thought that Mr. Rowlands should have considered going on to Botswana in person to find out the facts of the case. The minister's speech and the move he had announced were totally unconvincing. It was "irrational and unbelievable" that children had left of their own free will.

Mr. Davies argued that there seemed to be a growing acceptance by Britain of the escalation of acts of violence in southern Africa merely because we want to see a settlement in the area.

Heffer in angry Chile clash

IN A FIERCE Commons row over the admission of Chilean refugees to Britain yesterday, a Labour MP told Mr. Nicholas Winterton (C, Macclesfield): "I'll thump you one day."

The remark was used by Mr. Eric Heffer (Lab., Walton) who complained to the Speaker (Mr. George Thomas) that whenever the question of Chile was discussed "we get jeers and cat-calls from the Tory benches." It indicated that they were "totally fascist in their attitude," he declared.

As tempers rose, with shouting from all sides of the House, the Speaker called for order, and Mr. Heffer, pointing across the chamber to Mr. Winterton, said: "I'll thump you one day."

This was a democratic institution, Mr. Heffer protested. He was concerned, even if the Tories were not, with democracy in every part of the world—in Russia and in Chile.

Earlier, Mr. Martin Flannery (Lab., Hillsborough) had claimed that the Chilean community in Britain was demoralised about the slowness with which visas were issued.

The chief adjudicator, and in particular, the Glasgow adjudicator, had called members of the Socialist Party of Chile "communist agitators," he said, amid jeers from Tories. They had used "deep political bias as a reason for not accepting honest political prisoners from fascist Chile," Mr. Flannery claimed.

Dr. Shirley Summerskill, Home Office Under Secretary, said that up to January 31, 1,873 people were known to have arrived in this country from Chile.

The Home Secretary (Mr. Rees) was aware of concern about delay in entry, and would be examining the procedure. The adjudicators were appointed by the Home Secretary but they were not answerable to him on how they carried out their duties.

Callaghan sent 'frightening facts about union leaders'

BY RUPERT CORNWELL, LOBBY STAFF

IN A STEP which can only embarrass and annoy the Government, the Social Democratic Alliance yesterday sent the Prime Minister a document purporting to prove the "totalitarian sympathies" of many of Britain's trade union leaders.

The Alliance, which calls itself "Labour's moderate grass roots organisation" recently earned brief fame by naming more than 30 Labour MPs it accused of holding anti-democratic views.

The evidence for its latest claims comes in what it calls "40 frightening facts about our trade union leaders—the men who run Labour."

The document sets out a series of international contacts and meetings, including TUC initiatives, with regimes in Eastern Europe, extracts from speeches, and links said to have been established between union leaders and internal Communist organisations.

The document mentions 16 of

the 39 members of the TUC General Council, some of whom, it states, have openly praised the Soviet system. "Their unions represent the overwhelming majority of voting strength at the TUC and at the Labour Party conference," the Alliance argues.

Most irritating for Mr. Callaghan will be the emphasis laid on Mr. Jack Jones, head of the Transport and General Workers' Union, and a prime architect of the social contract. "The facts in our documents of the Alliance," it claims, "leads us irresistibly to the conclusion that Mr. Jones is a careful, intelligent and dedicated opponent of our Western Parliamentary democracy."

The document goes on implicitly to attack Sir Harold Wilson for his "years of negligent political leadership."

Although the document will be interpreted as the latest broadside in the battle between Labour's Left and Right wings,

Bullock offers chance for better industrial relations, says Prior

BY PHILIP RAWSTORNE

DESPITE CONSERVATIVE opposition to the Bullock Committee's majority proposals, Mr. James Prior, the party's employment spokesman, said last night that the report offered a valuable opportunity for the improvement of industrial relations that should not be missed.

Legislation on the basis of the majority report would "make our Boardrooms the new frontiers of the corporate State" and would be vigorously resisted, he said at Sutton Coldfield. But that did not mean that nothing should be done in the field of industrial democracy.

Mr. Prior said that there was a basis of widespread agreement on which the Government could seek general consent for action. There was no argument about the problems that needed to be tackled. "There is a tendency in

modern industry both for decisions which fundamentally affect the employees — yet demand rapid compliance — to move upwards to levels remote from them and for the area of responsibility and variety open to the individual employee within his task to be limited.

"People also have higher aspirations than in the past and are seeking to share in the fruits of their work but industry cannot afford to meet this through ever-increasing take-home pay."

Decision making structures in industry would have to be adapted to meet these problems, Mr. Prior said there should be no disagreement either about report.

the benefits that should be sought from such changes. He quoted with approval the words of Mr. Edmund Dell — Secretary of Trade: "We must ensure that whatever proposals the Government brings forward are compatible with improved industrial relations, the efficient management of companies and with an increasing level of investment of risk capital."

Mr. Prior added: "If we can all agree that these are the problems we are trying to deal with and that those are the benefits we are seeking to derive, we may, adapted to meet these problems, gain something of immense benefit from the publication of the Bullock report."

VAT cost

MR. ROBERT SHELDON, Financial Secretary to the Treasury, said yesterday that it cost about £50m. to collect VAT during the financial year 1976-77.

Written Answers

HOUSING

Mr. Joseph Dean (Lab., Leeds West). When is the next review of the house price list of properties covered by the option mortgage guarantee scheme?

Mr. Reginald Preest, Minister for Housing, has decided, following consultation with the British Insurance Association and the Building Societies Association, to raise the maximum house valuation for the Option Mortgage Guarantee Scheme from £12,000 to £15,000. It has been agreed that if insurance premium rates for participants in the scheme will be reduced by 4 per cent.

TRANSPORT

Mr. Roger Woate (Con, Faversham). What research has been conducted into the production of quieter heavy goods vehicles?

Mr. William Rodgers, Secretary of State, said that the Government-sponsored Quiet Heavy Goods Vehicle project was completed at the end of last year. A noise level of 82dB(A) was achieved for a 32/38 articulated vehicle. This vehicle has now been returned to manufacturers, who are assessing the cost of measures which it appears from the results of the research that a noise level of 80dB(A)—about the level of present motor-cars—technically feasible, but the cost is still to be determined.

ENERGY

Mr. Gerald Howells (Lab, Cardigan). Will the Secretary of State list the areas of Wales which are being considered for the underground storage of nuclear waste?

Mr. Wedgwood Benn, Secretary of State. The UK Atomic Energy Authority is planning research programme to investigate the suitability of certain geological strata in Wales, England and Scotland for the disposal of radioactive waste. The formations to be considered include some mudstone and rock in the Chepstow Welsh border area. Proposals actually to use geological strata for disposal would only be made after the fullest consideration of all the safety and environmental issues including wide consultation and that it would be safe to do so.

TREASURY

Mr. Howell (Con, North Norfolk). What would be the cost to the Exchequer in the current financial year, tax rates were reduced by 2 per cent for each child supported by the individual taxpayer?

Mr. Robert Sheldon, Financial Secretary. To reduce income tax liability by 2 per cent for each dependent child would cost about £900m. for 1976-77.

Mr. R. Howell. What will be the cost of the proposed phasing-out of child tax allowances on the weekly rates tax refunds payable to families in receipt of short term social security benefits?

Mr. R. Sheldon. The effect of reducing child tax allowances to £300 will be to reduce the value of tax refunds by £202.

Whitelaw seeks Hughes escape inquiry

FINANCIAL TIMES REPORTER

MR. MERLYN REES, Home Secretary, yesterday refused to be drawn on any decision about a public inquiry into the escape and subsequent mass murders by William Hughes in Derbyshire until all the relevant reports he has commissioned have been concluded.

Later, Mr. Edward Gardner (C, South Fylde) demanded to know why information that Hughes was a violent and dangerous man which had been given to Derbyshire police had not been passed on to Leicester Prison.

Mr. Gardner claimed the information was given to Derbyshire police by a superintendent at Blackpool. He asked: "Why was information of this kind not known to the prison officers responsible for the safe custody of this violent man?"

Mr. Brynner John, Minister of State, Home Office, said that if he could answer that question, there would be no point in awaiting the outcome of the inquiries.

Mr. Whitelaw said that everything he had been told about the incident led him to conclude that he was right to seek the inquiry. He hoped that in the end, that is what is going to happen" and agree as soon as possible.

NCB expects 10,000 to choose early retirement

FINANCIAL TIMES REPORTER

THE National Coal Board expects that about 10,000 men will volunteer for early retirement in the first year of the miners' new retirement scheme.

The figure was given to the Commons last night by Mr. Stanley Orme, Minister for Social Security in answer to Mr. Nigel Lawson (C, Blaby).

Mr. Lawson had asked for the Government's estimate of the extra annual cost in unemployment benefit stemming from the implementation of the miners' early retirement proposal.

Mr. Orme replied: "I am informed that the National Coal Board expect that up to about 10,000 men will volunteer for early retirement in the first year when this becomes possible, and that they expect to have to recruit an approximately similar number of men to replace them."

"On that basis, it seems unlikely that there will be significant additional expenditure on unemployment benefit."

Mr. Whitelaw said that every-thing he had been told about the incident led him to conclude that he was right to seek the inquiry. He hoped that in the end, that is what is going to happen" and agree as soon as possible.

Shore quizzed on Rent Acts

THE GOVERNMENT has no intention of legislating for any changes in the Rent Acts this session, or possibly even next session, Mr. Peter Shore, Secretary for the Environment said last night.

Replying to questions at a meeting of the Parliamentary Labour Party at the Commons,

Mr. Shore said that he expected "long and substantial" consultations to follow the publication of the Department's Green Paper on the issue earlier this week.

He added that there would be "no give" on the question of security of tenure provided by the Acts.

Schools row plea

MRS. SHIRLEY WILLIAMS, Secretary of State for Education, has been asked to resolve a dispute in Staffordshire over plans to introduce comprehensive education to Newcastle-under-Lyme.

Mr. John Wilson, Staffordshire education chairman, wants Mrs. Williams to insist that the town's two endowed schools—Newcastle High School (boys) and Orme Girls School—accept the comprehensive plans.

The error was in the local authority's failure to have more say in the running of the two endowed schools, he said.

Next week's business

COMMONS BUSINESS next week will be:

MONDAY: Private Members' motions; Reduction of Road duty Rebates Bill, second reading; EEC document on taxation systems for countries.

TUESDAY: Nuclear Industry (Finance) Bill, second reading; motions on the Lotteries Bill.

WEDNESDAY: Debates on child benefit scheme, and the self-employed; Rent (Culture) Amendment (Lords).

THURSDAY: Scotland and Wales Bill.

FRIDAY: Private Members' Lords debates are:

TUESDAY: Statute (Marriage) Bill, second reading; report, Divorce Reform Bill, second reading; Deputies Bill, second reading.

WEDNESDAY: Debate society's attitude to industry.

THURSDAY: Marriage (Scotland) Bill, third reading; Criminal Law Bill, committee.

Republic National Bank of New York

Consolidated Statement of Condition

DECEMBER 31

ASSETS	1976	1975
Cash and due from banks	\$ 76,544,442	\$ 82,714,022
Interest bearing deposits with banks	386,471,532	291,899,645
Precious metals	30,337,129	18,059,251
Investment securities:		
U.S. Government obligations	90,672,579	38,415,418
Obligations of U.S. Government agencies	47,345,545	56,729,473
Obligations of states and political subdivisions	102,293,969	119,077,440
Other	115,981,459	31,469,555
Total investment securities	356,293,552	245,691,886
Federal funds sold	70,000,000	102,000,000
Loans, net of unearned income	854,094,837	625,111,490
Less allowance for possible loan losses	13,298,147	10,269,844
	840,796,690	614,841,546
Customers' liability under acceptances	91,645,775	79,286,308
Bank premises and equipment	13,597,471	13,398,651
Accrued interest receivable	37,148,514	24,650,727
Other assets	42,268,375	43,199,779
Total assets	\$1,945,104,580	\$1,515,741,815
LIABILITIES		
Deposits	\$1,578,823,900	\$1,215,786,047
Federal funds purchased and securities sold under agreement to repurchase	12,000,000	30,300,000
Other liabilities for borrowed money	4,025,106	4,025,106
Acceptances outstanding	92,262,156	81,264,297
Accrued interest payable	63,997,612	45,264,806
Other liabilities	19,277,264	12,908,492
6 1/4% - 8% Notes	808,000	808,000
STOCKHOLDERS' EQUITY		
Common stock	25,000,000	21,482,080
Surplus	78,032,591	44,867,511
Surplus representing convertible notes obligation assumed by parent corporation	12,604,000	12,787,000
Undivided profits	59,975,010	46,248,476
Total stockholders' equity	175,611,601	125,385,067
Total liabilities and stockholders' equity	\$1,945,104,580	\$1,515,741,815
Letters of credit outstanding	\$ 90,648,291	\$ 37,957,613

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The Management Page

EDITED BY JOHN ELLIOTT

JOB RELEASE SCHEME

Slow initial response to early retirement

BY NICHOLAS LESLIE

THE JOB release scheme introduced by the Government last month has so far met with only limited response from employers and managements in industry.

Designed as one of a number of measures to help alleviate the unemployment situation, the scheme allows people in specified areas of the country to retire early. But while these employees are offered a tax-free weekly allowance as an incentive to make way for somebody currently without a job, company managements are offered no matching benefit—indeed, some feel they are forced into a situation of resolving a succession or replacement problem earlier than need be the case.

Job release came into operation on January 8, but people wishing to take advantage of it had been able to make application to do so since last November. By January 28, 5,178 applications had been approved, and of these 75.5 per cent represented people already unemployed. This means that only a minority of applicants retiring are actually making jobs available.

It may, however, be too harsh to judge the scheme by the figures so far, simply because the Department of Employment has put greater emphasis on publicising the scheme within employment exchanges and job centres than within companies.

Allowance

The job release scheme operates only in development areas. It offers both men and women the chance to retire a year earlier than usual provided they are within one-year of being 65 and 60 respectively in the six-month period ending on June 30. People so doing receive a £23 a week tax free allowance from the Government up to retirement but must undertake not to work at any other job. They may not apply for unemployment or sickness benefit while receiving the weekly allowance. However, supplementary benefits may be applied for if needed.

Early retirement has to be agreed by the worker with his employer, which in turn must be undertaken (though it has not

statutory commitment) to recruit someone from the unemployment register into a full-time job. This need not necessarily be the same job as had been made vacant.

The same restrictions apply to unemployed men and women on the unemployment register who may also apply for the £23 a week allowance if they are within one year of retirement age.

Some initial reactions to the announcement of the scheme last year were hostile. It was said that the allowance was too low to attract any but the lowest paid and that many people close

replaced. Those retiring were mainly on an average wage of £34 per 40-hour week (£60 with overtime). A total of 160 Rowntree-Mackintosh employees are eligible for early retirement in the U.K.

In contrast, there has been very limited response at Swan Hunter, the Wallsend shipbuilders, which employs around 14,000 people, of whom about 200 are eligible under the job release scheme. Only two have retired so far, one being a telephone exchange supervisor and the other a general clerk. Another, a production engineer, is due to retire on April 7.

APPLICATIONS APPROVED BY REGION			
	Unemployed	Employed	Total
South-West	241	35	276
West Midlands (Oswestry)	20	0	20
East Midlands (North Midlands North Lincs.)	63	20	83
York & Humberside	763	306	1,069
North-West	1,352	525	1,877
Northern	476	155	631
Wales	392	70	462
Scotland	603	157	760
TOTAL	3,910	1,268	5,178
Percentage	75.5	24.5	100

to retirement age did not want to retire anyway. Also, there was some concern that inter-union tensions could be created because replacements do not necessarily have to fill the job made vacant by a retirement.

On the other hand, the views of a handful of companies which are now prepared to discuss their experiences of the scheme—many others, it appears, do want to make any public statement about job release—do not point to hostility, but rather to feelings among both employees and management ranging from disinterest to a small measure of support.

One large company to implement the scheme is York-based Rowntree Mackintosh, which considers it to be "acceptable as it stands." The company has complied with it because some of its employees have been asking for early release. So far, 32 inquiries have been received, mainly from production workers and six—almost all of them from the Newcastle plant—have already retired and been

According to the company's welfare and recruitment officer, Mr. Spokes, the scheme was made known to employees by putting leaflets on notice boards.

The few that have shown any interest have mainly been at the bottom end of the company's pay scale.

In contrast, only one of five eligible workers at Joshua Schofield and Sons, a small firm of dyers at Stockport, has refused the opportunity to retire early. Three textile process workers have already gone and have been replaced at the bottom of the ladder by workers moving up from other grades, while another on the clerical staff is about to go. The worker who refused just did not want to retire.

Much less pay

While this is a high percentage of retirements compared with other companies, it should be remembered that their pay of about £45 gross per 40-hour week is much less than in many other companies. Their net pay would therefore bring them much closer to £23 tax free a week.

Another factor which works against the scheme is that an employee's occupational pension scheme can be affected. The job release scheme must, on present form, therefore rank as one of the least successful of the measures which the Government has devised to contain the unemployment situation, even though the DE does not itself appear discouraged by the statistics so far.

The DE is planning a major effort to increase publicity of the scheme among companies in order to generate a greater awareness of it. First, Mr. Albert Booth, Secretary for Employment, is considering making a personal appeal to leading industrialists throughout the U.K. to seek their help. There are also plans for a programme of television commercials in assisted areas and advertisements in management journals and newspapers some time in March.

Whether this will be enough to create the 60,000 jobs that was mentioned as the target last September remains to be seen, but it may help to redress the current imbalance between the employed and the unemployed who are now retiring early.

Tony France looks at one of the significant developments in machine tools

Automation that replaces skill

A MAJOR misconception among many managements in the past has been the view that significant advances in technology can provide simple solutions to many of their problems. One such technological breakthrough was the numerically-controlled machine tool, a device which provides a means of cutting metal to a given shape automatically rather than relying on the skill of the machine operator. The result of misunderstandings about the capabilities of early numerically-controlled machines was that expensive pieces of capital equipment became under-employed or even abandoned.

Sufficient potential

This was the situation some years ago, but one company, the 600 Group, decided there was sufficient potential to justify investment in developing numerically-controlled machines at prices generally well below the £50,000 mark.

The group's philosophy is that numerically-controlled machine tools will eventually dominate the production machine shops of the future. To-day's operator does not want to wind handles, mangle (the group's other machine tool company) could cope with increased demand for numerically-controlled machines. Production can be balanced between the three companies to suit market trends. In fact, Hydro numerically-controlled lathes use Colchester lathe beds and other components.

The study asked companies to say what recommendations they were receiving from personnel directors, or people of similar status, about their preoccupations. These were broken down into three sections: first, to ascertain aims for management resources, such as the organisational structure, manning levels

controlled machines could provide the answer.

Lathes from Hydro, one of the group's machine tool division companies, just became available to industry about six years ago. The development was not restricted to big companies with long production runs—and users found that all the advantages claimed for numerical control can be applied with equal facility to long runs and to small batches of varied components, down to special single items.

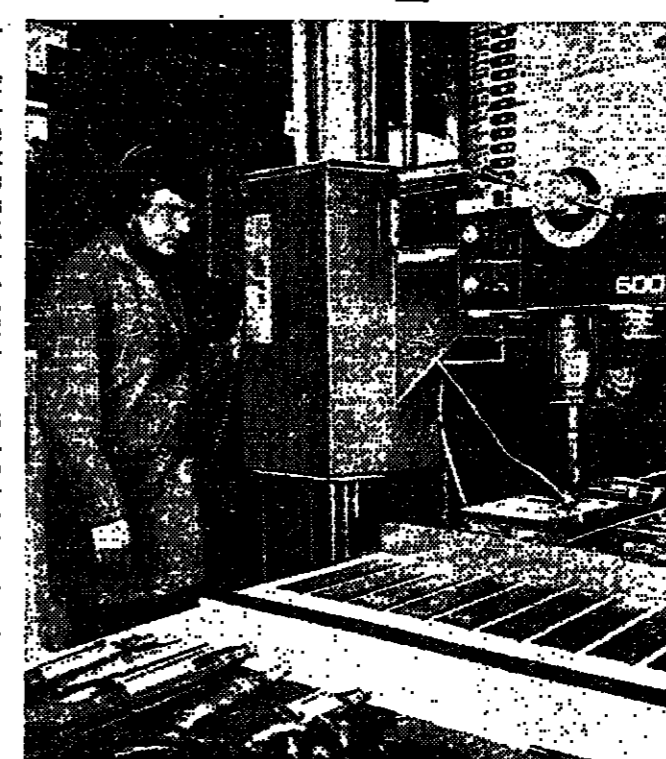
It has been estimated that 75 per cent of all machining produces batches of less than 50 items. Engineering Industry Training Board figures indicate that there are about 100,000 companies using machine tools in the U.K. The market potential for numerically-controlled machines is therefore substantial, and represents an important proportion of manufacturing industry.

Metalworking companies in the U.S. say that unless a subcontractor, or jobbing machinist has numerically-controlled machines, they are on the way out—their machining costs cannot be competitive.

The 600 Group feels that sooner or later labour rates in the U.K. will start to equal those of Europe and North America, and that this country must become really capital intensive. To this end the group's machine tool division is planning for a steady evolution towards numerical control. Its Colchester lathe company is probably the largest producer of manually operated centre lathes in Europe, and the division is confident that Hydro and Richmond (the group's other machine tool company) could cope with increased demand for numerically-controlled machines. Production can be balanced between the three companies to suit market trends.

Contoured parts, especially those to close tolerances require highly skilled machinists to spend a lot of time on them—both the time and skill required can be substantially reduced with numerical control. In the multi-operation category, numerical control cuts the metalworking to a one-machine job, reduces handling, machine time, and the skill required, and often produces a better quality component with fewer rejects.

Richmond deals with large cubic components and allows expensive and time wasting drilling jig production and marking-out are eliminated—



With this machine, milling and drilling can be carried out to a computer-controlled program, eliminating time-wasting setting.

all that has been done in the office which prepared the control tape. After the initial setting up, no further setting between components is required. Orders worth over £5m. were taken at MACH 76.

Most progressive production engineers are aware of the economies in labour and machine time that can be achieved by installing numerically-controlled machine tools. The problem, at least in British industry, seems to be to convince managements that the comparatively high capital investment required will produce an adequate return.

An economic middle course

Figures are available that should prove that there is an economic middle course. Numerically-controlled machine utilisation time is generally about 85 per cent, which is at least twice as good as for most manually-operated machines. Production increases range from 25 to 95 per cent, depending on the application, while shop floor labour requirements can drop from four skilled machinists to one.

Stock turnover times can rise from the average U.K. industry figure of twice a year, to as high as 12 times a year. This is because with numerically-controlled machines it becomes economic to produce stock components in small batches with short forward requirement dates.

Some countries, such as Czechoslovakia, appreciate the advantages of numerically-controlled machine tools more fully and they are able to raise production levels—and cut costs—out of all proportion to the numbers of skilled workers.

Retention of managers a major priority

MANY of Britain's major companies aim to give greater priority this year to limiting the loss of their managers to other employers than to increasing exports and overseas earnings.

This is one of the conclusions reached in a study carried out among some of Britain's leading industrial and commercial companies to assess what they consider their priorities to be in 1977 so far as the management of their managerial resources was concerned.

The study asked companies to say what recommendations they were receiving from personnel directors, or people of similar status, about their preoccupations. These were broken down into three sections: first, to ascertain aims for management resources, such as the organisational structure, manning levels

and type of job; second, how management should be developed; and third, how management should relate internally and externally with other organisations, such as unions.

The study was carried out by the management consultants, Hay-MSI, who say that it indicates the direction of company thinking, rather than being hard and fast pointer to what companies have planned for management.

Companies showed themselves to be inward-looking, concentrating on assessing the role, re-

sponsibilities and accountability of managers, and on their abilities for promotion, rather than on their role in generating business growth at home and overseas.

While 59 per cent of companies put improvement of quality of intake to management jobs as a higher priority this year than last, 40 per cent saw it as a similar priority. But only 27 per cent thought management should be geared up more for business growth—with 44 per cent seeing it as a similar priority. Just 24 per cent felt

that a higher priority this year should be to accentuate management effort towards exporting and other overseas business, with 31 per cent seeing it as a similar priority.

Just over 60 per cent felt more emphasis should be given to manpower planning and almost a half of the respondents felt greater priority should be given to "limiting the loss of able people to other organisations."

Sixty per cent of companies thought they should concentrate more on assessing the perform-

ance and potential of an individual manager and just over half contemplated putting greater emphasis on improving job training methods for individuals who had just been promoted or transferred.

Almost three-quarters of companies felt higher priority should be given this year to examining the likely impact of developments in employee participation on managers' accountability and what they would perceive as their role.

Nicholas Leslie

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Business Books

The Basic Arts of Management, by W. J. Taylor and T. F. Watling. Business Books, £6.95. This provides a straightforward introduction to the art and science of management.

Good Communications, by John Hargreaves. Associated Business Programmes, £5.95. This sets out practical methods of communication which the manager can put into immediate use.

Management & Mathematics, by Allan Fletcher and Geoffrey Clarke. Business Books, £10. Some of the mathematical techniques available to assist management in decision-making are set out in this volume.

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Post-Bullock headaches for Whitehall and town hall

BY JOHN ELLIOTT, Management Editor

The Bank digs in on MLR

THE BANK of England's decision yesterday to take its minimum lending rate under its own direct control for the time being can be read both as a gesture and as a technical move to restrain interest rates.

The official account is not altogether convincing. The authorities, from the Prime Minister downwards, have repeatedly said that they expect interest rates to fall gently during the next few months, and more rapidly once a further stage of incomes restraint is in place, and an improvement in the balance of payments established;

The BP argument begins again

AT THE END of last year, the Government had to search hard for ways of meeting the views of the International Monetary Fund about the proper size of the public sector borrowing requirement for 1977-78 without creating too great a political explosion among its supporters.

In fact, Mr. Benn is said to be arguing for retention on practical grounds rather than grounds of principle. On the one hand, he is reported to have urged, this is the wrong time to sell BP; the shares (which it is planned to sell at some time during 1977/78) will be worth considerably more later on.

WHILE the preliminary skirmishes were in progress during the past week over the impact of the Bullock Report on industrial democracy in the private sector, civil servants and union leaders have been turning their minds to its effect on the public sector where the Government is pledged to introduce a measure of industrial democracy.

Sensing the bitter battle and parliamentary uncertainties ahead over private sector legislation, some union leaders have started to become interested in pushing ahead with voluntary experiments in nationalised industries such as the one now being finalised in the Post Office.

Union interest in early experiments, especially in the nationalised industries, stems partly from the problems that the Government would face in getting any Bullock-style Bill through Parliament with its present slim majority.

Likely hunting ground Nationalised industries (and maybe one or two experiments in local government) would be a likely hunting ground for such schemes. They would have the added attraction for the TUC that there is less union opposition to the worker director concept in the public sector than in private industry.

MEN AND MATTERS

High jinks in Chinatown

It was dragon meets Press day yesterday in Soho's Chinatown restaurant. Introductions were made by Vincent Tsui (pronounced chewey), current president of the Chinese Chamber of Commerce, and the prime mover behind the fund raising operation which brought the 140 feet long silver beast over from Hong Kong to celebrate both Chinese New Year and the Silver Jubilee with a traditional dragon dance in Trafalgar Square.

The dragon has already been introduced to readers of this column so while the Kung-fu following dragon dance team went through their gong and drum routine I concentrated on Tsui himself. A small, affable man in an immaculate blue pin stripe suit Tsui spearheaded that influx of Hong Kong Chinese which has created a recognisable Chinatown in Soho over the past 10 years.

Brushing up Riyadh

It takes many virtues to pull off a major deal in Saudi Arabia and not the least is patience, and that can be very expensive indeed. But it can be worth it in the end as John Miller, the director in charge of Pritchard Services Middle East operations, has just proved. Pritchard, together with Waste Management Inc. of Chicago has just pulled off a \$140m. five-year contract to keep Riyadh clean. Miller has spent most of the last 15 months operating from a villa in the Saudi capital and beating off competition from 26 other contractors intent on winning one of the largest cleaning contracts ever. It cost the company well over £250,000 and their U.S.

which would be diluted if there were a separate worker director accountability to the employees. Finally there is the need to guard the public interest in a number of situations.

At present it seems unlikely that, outside the nationalised industries, anything very radical will emerge from all the inquiries. Civil servants are even to be heard deploying practical arguments in identical terminology to that used against Bullock in the private sector with complaints about the impact of industrial democracy on managerial efficiency, about the high costs of delays in decision making, and about the role for unions being broadly limited to employment issues.



Sir William Ryland (left) Chairman of the Post Office which is now arranging for worker directors on the Board and Mr. Alan Lord, Second Permanent Secretary at the Treasury, who will advise Minister about the position of the nationalised industries after Bullock.

trial democracy would bring to their own Departments might cause a massive Cabinet backlash against the whole Bullock concept.

The TUC is perhaps aware that there is some truth in this. Certainly it is playing the issue of industrial democracy in national and local government in a low key. Its unions have forsworn seats in the Cabinet and at the top of Departments but have shown a limited interest in experiments with seats on management boards within Ministries and in being given wider rights to consult and bargain both before and after decisions are taken on issues affecting employment.

elective principle. This principle, in the case of the nationalised industries, primarily hinges around a Minister's responsibility to Parliament for the industries which his Department sponsors. Thus, there seems to be general agreement in the Government that the Minister should have power over certain key issues—such as the way in which large sums of public money are spent, as well as guarding the national interest. This means he needs a power to control, for example, investment decisions involving Government finance and decisions affecting international obligations—say, on the functioning of the British National Oil Corporation's North Sea interests. Such a power could be exercised by ensuring the Government controlled a sizeable majority of a Board's seats.

The Post Office is by far the most advanced nationalised industry in this area and, providing special legislation is passed through Parliament allowing it to expand the size of its Board from 13 to 17 members, it will be a pacemaker in advance of Bullock developments. It has, however, taken three years for the Post Office and its unions to reach this point from the time Board representation was first considered—which illustrates how drawn out implementation of Bullock proposals might be.

There are no other nationalised industries near to drawing up a scheme although current TUC initiatives with its own nationalised industries committee following publication of the Bullock report will act as a catalyst in some areas. The Railways Board and Steel Corporation might be the next two major industries with schemes. But British Airways' unions have also set up a trade union committee which could provide a spring board for a worker director claim within the coming months. In the gas industry, the unions are interested in having a worker director system provided they also have a closed shop to consolidate their position plus wider collective bargaining arrangements.

In the coal industry, in spite of the miners' insistence that industrial democracy should be based on joint union-management arrangements in place, there is in fact already a large measure of national-level industrial democracy. This operates through a tripartite Government Coal Board-trade union committee set up after the 1974 miners' strike to examine broad issues. The committee, which is issuing a report on the industry's prospects next week, is backed up by wide-ranging consultative arrangements and, when coupled with the miners' basic industrial clout, it means the unions need not bother with a claim for seats on the National Coal Board itself. The unions would probably also not want to see their tripartite system institutionalised into too rigid a structure, and so would oppose any legislative changes.

Also included in the legislation will be companies in which the National Enterprise Board has an interest and this could lead to British Leyland, an NEB company with a relatively new but widespread participation committee system, being another early candidate for a Board-level face lift.

Two down

What happens to youngish life assurance experts when they turn their backs on the City? Tim Walker, 34, went off to the West Country to run a private zoo where he plans to raise exotic animals. His erstwhile colleague Dan Dage is more conventional: having decided that he had become "faded" he has decided to seek fresh business pastures in America.

Walker and Dage were among the kingpins first of Abbey Life and latterly of Hambro Life Assurance. Walker went last summer when Hambro Life was floated as a public company, and Dage's departure was announced yesterday.

The third side of the marketing triumvirate which built up Abbey then Hambro was managing director Mark Weinberg, who created a stir in 1970 when he, Walker, Dage and three other top executives quit Abbey for Hambro. Dage, who looked after the sales force, still owns £900,000 worth of Hambro Life shares. Weinberg said last night he was sad to see old colleagues go, but "there are no moral obligations of any kind."

The FAMOUS GROUSE advertisement featuring a bottle of whisky and a glass, with the text 'Quality in an age of change' and 'Observer'.

Handwritten text at the bottom of the page: مکتبہ اسلامی



POLITICS TO-DAY

BY DAVID WATT

Majesty, but without the power

EXT SUNDAY marks the 25th anniversary of the death of King George VI and the accession of Queen Elizabeth to the throne.

It is enough to say that Queen Elizabeth has succeeded very well in carrying out the dignified part of her office.

The interesting question is whether this important unifying role could have been filled under modern conditions.

Heavily hedged

The assumption in 1952 about the sovereign's personal prerogative was that it consisted, first, of the power to choose the Prime Minister and, secondly, of the power, in extreme cases, to refuse a Prime Minister's request for a general election.

is expected to send for the leader of the party that has the majority in the House of Commons or, in case of death, his most obvious successor.

In the case of the dissolution of Parliament the convention was more disputed, and leading constitutional lawyers at the time of the coronation expressed doubt whether in practice this prerogative could be exercised.

It seems very doubtful whether any constitutional pundit would now give much for either of these supposed discretions.

The second incident was the famous post-Suez choice between Mr. Harold Macmillan and Mr. R. A. Butler (now Lord Butler). Here the Queen in reality



going a major operation in an American clinic. What was to be done? Churchill actually recovered and the problem rolled away, but it seems, according to Mr. Lacey (and this is the most interesting new fact contained in his book) that the Queen would have sent for Lord Salisbury to act as Prime Minister pro tempore.

Handed over the choice to the Conservative Party but went through the motions of consulting Churchill and Salisbury publicly in order to maintain the maximum appearance of a royal discretion.

extraordinary times were indeed upon us and that the prerogative therefore revived. When Mr. Heath was trying to form a coalition with the Liberals immediately after the February election, some Labour politicians suggested the Queen should simply dismiss him, while some Conservatives believed that she could have waited for his resignation and then called some other figure (not Harold Wilson) to form a national government.

It was claimed in 1974, when the next crisis occurred, that

with the Government of the day and that a resolute Prime Minister has always held the whip hand whatever the constitutional conventions may state.

Now the public perceives those conventions partly in the light of the general climate of opinion about "privilege," the monarchy and about a particular monarch. But people are also influenced by custom and precedent — both of which become rusty and inoperative if they are not kept bright by use.

"Majesty": Elizabeth II and the House of Windsor (Hutchinson, £5.65).

Paralysis of investment

From The Managing Director, Cambridge.

Sir—May we hope that the monumental irrelevance that is investigating the investment role of city institutions will invest in that other monumental relevance—Bullock.

What a wonderful stimulus a latter provides to the flow of private sector funds into productive industry! What irresistible opportunities will be created under Bullock to invest in firms, the paralysis of whose investment decisions will be mutually guaranteed!

Much of the argument about Bullock seems to miss the main point. It is not so much the problem of effect of Bullock on existing firms (bad enough) that should give the greatest concern.

There is nothing wrong with wanting more involvement and more participation of all those who work in industry. It is not as Marks and Spencer and others which do this successfully are themselves attractive investments. It is unrealistic to pretend that good management and investment decisions are ultimately the responsibility of persons and institutions other than those who provide the funds to be invested.

Distorting the system

Mr. L. Clark

Mr. Bullock makes the fatal take of confusing the political and economic spheres.

Letters to the Editor

those economic functions which we decide to equate collectively, when the cost in taxation has been taken into account.

For the rest the economy should be subject to the other regulator of the market. Through this we ourselves-as-consumers are the boss over ourselves-as-producers. In the latter capacity we resent, if we are short, the cost in production in the former capacity: all sorts of monopolies and restrictions grow up to protect the work-place against the market—and so to penalise ourselves-as-consumers.

Worker directors à la Bullock can be expected to reinforce protection at plant level; for example by saving jobs rather than going out for productivity and reduction of jobs per quantum of output. Another array of economic powers will distort the free system and reduce the standard of life.

Composition of company boards From Mr. P. McCaig. Sir—There will be so much discussion about the merits or otherwise of the Bullock Report recommendations that perhaps at this stage it must just ask the following questions.

Unless existing numbers on Boards are to be doubled it will follow that something like half of existing executive directors will have to make way for an equivalent number of union representatives in such a setting would it make sense (for example) for a highly experienced and qualified professional engineer employed as technical director to be replaced by (say) a draughtsman who happens to be a nominee of the Amalgamated Union of Engineering Workers (TA55)?

The German experience

From Mr. H. McCulloch

Sir—Discussions that have been broadcast and reported in the Press on the Bullock report make considerable play on the effectiveness of the two-tier policy in Germany, and how successfully they have developed worker participation over the years with obvious beneficial results.

Where the real power will lie

From Mr. T. Williams.

Sir—According to some of the political pundits power in industry has shifted from management to the shop floor. However this may be in the limited field of industry it is certain that power in its widest sense—the ability to shape the destiny of mankind—is devolving increasingly upon scientists and technologists.

With every day that passes the maintenance of the fabric of human society becomes more and more dependent upon basic and applied science, and the process is irreversible. At the same time the great majority of the "lay" public—including politicians—find themselves less and less able to comprehend the technological changes which are shaping their future.

Cats well out of the bag From Mr. M. Hirtzel. Sir—Mr. Paul Dean, MP (January 31), says: "The majority report of the Bullock Committee has let the cat out of the bag. The issue is not industrial democracy but a power struggle for Britain's Boardrooms."

Fitness to be a director From Mr. C. Jackson. Sir—So many aspire to a directorship—son of the father, old school tie, retired admiral, trade unionist, women's lib, but nobody asks what are directors appointed to do, and what knowledge, experience, abilities and personal qualities best fit a person to do it.

Explanation wanted

From The Financial Director, East Midlands Finance.

Sir—What is industrial democracy? W. Lyon, Woolram Wygate, Spalding.

To-day's Events

- Prince Charles visits Hoover factory, Merthyr Tydfil, and later opens Guest Ken and Nettie-folds' steelworks and rod mill, Cardiff. Mr. Andrew Young, new U.S. Ambassador to United Nations, on tour of Southern Africa. End of two-day meeting between President Giscard d'Estaing of France and Herr Helmut Schmidt, West German Chancellor, Paris. Mr. Edmund Dell, Trade Secretary, ends two-day talks on bilateral trade, East Berlin. EEC permanent representatives consider their reply to Soviet note on future catch-levels of fish inside Community's new 200-mile limit, Brussels. Dr. Kurt Waldheim, UN Secretary-General, continues Middle East tour. Lord Carrington, Opposition leader in House of Lords, continues fact-finding tour of Southern Africa. Mr. Robert Cryer, Under-Secretary, Industry, ends three-day visit to Teesside and Tyneside. Sir Robin Gillett, Lord Mayor of London, attends formation of new Export Council for British Conference and Exhibition Centre, Mansion House, E.C.A. Mr. Norman St. John Stevas, Opposition spokesman on education and arts, addresses Youth Charter Towards 2000 conference, Wembley Conference Centre, 7.30 p.m. New Philharmonia Orchestra, conductor Stanley Pope, play works by Mendelssohn (Overture: A Midsummer Night's Dream); Beethoven (Symphony No. 6 in F—Pastoral); and Brahms (Symphony No. 1 in C minor), Royal Festival Hall, S.E.1, 8 p.m.

The Cologne International Hardware, Housewares and Domestic Appliances Fairs.

From Feb. 10-15, Midland Bank will be taking care of business in Cologne.



Frank Dunphy, Manager, Trade Development, International Division.

If your business is buying or selling hardware, houseware or domestic appliances then Midland Bank will have a man in Cologne who can help with your export finance. Frank Dunphy, Chairman of the panel for Overseas Trade Development, will be there from Feb. 10-14 to help make your trip a profitable one.

If the occasion arises where you think you could use a little friendly, free advice, talk to him.

He'll be staying at Excelsior Hotel Ernst, Dom Platz, Cologne. Tel: 2701, Telex 882 645.

If you'd like a word with Mr. Dunphy before he leaves London, feel free to call him at 01-606 9944.

Midland Bank International

Midland Bank Limited, International Division, 60 Gracechurch Street, London EC3P 3BN.

COMPANY NEWS + COMMENT

Associated Fisheries recovers to £1.91m.

REPORTING a recovery from losses of £2.82m to pre-tax profits of £1.91m for the year ended September 30, 1976, Mr. P. M. Tapscoot, the chairman of Associated Fisheries, says the outcome is particularly gratifying after a most difficult first half, when the group made a pre-tax loss of £2,870,000 against £1.82m in the previous comparable period.

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Users Association" has been established under the chairmanship of Mr. C. J. B. Whitehead, at present of Hedderwick Stirling Grambar and Co. to whom inquiries should be addressed.

Turnover for the year grew by only 11 1/2 per cent to £2,939m. but the recovery in profits resulted in a turnaround of nearly £4m. Each division contributed to this result. Losses have been eliminated wherever they occurred, and the drive to secure a higher and fully adequate return on the substantial assets employed "is continuing with great vigour."

The general trading outlook for the group justifies considerably greater optimism than a year ago although, in common with the whole of British industry, many problems remain, states the chairman.

After losing £0.5m in the first half, Associated Fisheries swung sharply back into profit in the second half for an overall turnaround of £4m. Roughly half the turnaround came from the trawler interests, where the fleet has been cut by close to a third over the last two and a-half years and certain costly shore installations have been dropped.

It is the intention of the Board to restore the annual dividend to the 1973-74 peak level of 3.53p per 25p share on the earliest practical occasion. Meanwhile this year's single final dividend is 1.25p net compared with last year's single interim payment of 0.1625p.

Earnings are shown at 5.18p per share against a loss per share of 5.52p for 1974-75.

ON TURNOVER, increased from £4.5m to £4.68m, profit of Ladies Pride Outerwear rose by £39,171 to £806,171 for the year to November 30, 1976 after £242,736 (£221,428) at half way.

Earnings are stated to be up 9.83p per 20p share (9.83p adjusted) and a final net dividend of 1.665p makes the total for the

year 2.493p, the maximum permitted, compared with the equivalent of 2.67p.

The directors say that sales and production for spring this year are at new record levels with the growth derived entirely from exports to some 20 countries.

In a difficult year for the clothing industry, Ladies Pride has done remarkably well. Other companies involved in double-jersey knitting have been in severe trouble but large internal sales to the garment-making side have softened the blow for L.P. Turnover has been maintained by a 27 per cent increase in exports, which also contributed a windfall of £80,000 in currency gains.

Traded Options Users Assoc. established

To assist Stock Exchange member firms which may be interested in joining the European Options Exchange, an organisation called "The London Traded Options

Syltone well up after six months

PRE-TAX PROFIT of Syltone increased sharply to £256,000 against £142,000 for the half year to September 30, 1976 on a turnover of £3,382,440.

After tax of £151,000 (£88,000) the net profit emerged at £103,000 (£54,000). The tax charge is higher than 52 per cent because of losses incurred by the U.S. subsidiary which cannot be offset for U.K. tax purposes.

A.C. Cars

Including a transfer of £2,873 (£3,950) from the staff pension fund, profit of A.C. Cars improved from £145,259 to a record £199,086 for the year to September 30, 1976, subject to tax of £39,853, compared with £72,800.

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date of payment, Current dividend, Total dividend, Total dividend for year.

Hill and Smith expands

AFTER BEING ahead halfway with pre-tax profit up from £339,141 to £370,648 Hill and Smith ended the year at September 30, 1976, up 28,519 to £382,285.

During the half-year, three new developments were started, all of which are either let or under negotiation.

Stated earnings per 25p share improved to 8.5p (7.5p after adjusted for a one-for-one share split).

comment

Hill and Smith's shares rose 5p to 42p yesterday following the announcement of a 9 per cent increase in pre-tax profit.

Continued advance for Benn Bros.

TURNOVER INCREASED by £0.1m to £3.2m for publishers Benn Brothers and pre-tax profit rose to £334,700 against £197,000 for the six months to end 1976.

Earnings are shown to be increased to 2.53p per 25p share (1.4p) and an interim dividend of 0.7p net (0.5p) announced.

comment

Real terms volume at forcers an annual 20 per cent, says F. Pratt

F. Pratt better than expected

AS EXPECTED pre-tax profits of passenger cars and light and medium commercial vehicles of F. Pratt Engineering Corporation for the year to October 31, 1976, did not reach the record £13.5m achieved in 1975 and show a reduction to £11m after falling from £850,000 to £112,250 in the first half.

The directors say the result is rather better than anticipated at midway, especially in view of the continued absence of a general upturn in activity.

comment

He says that the revision legislation concerning excise duties came too late to provide any major relief during the year

comment

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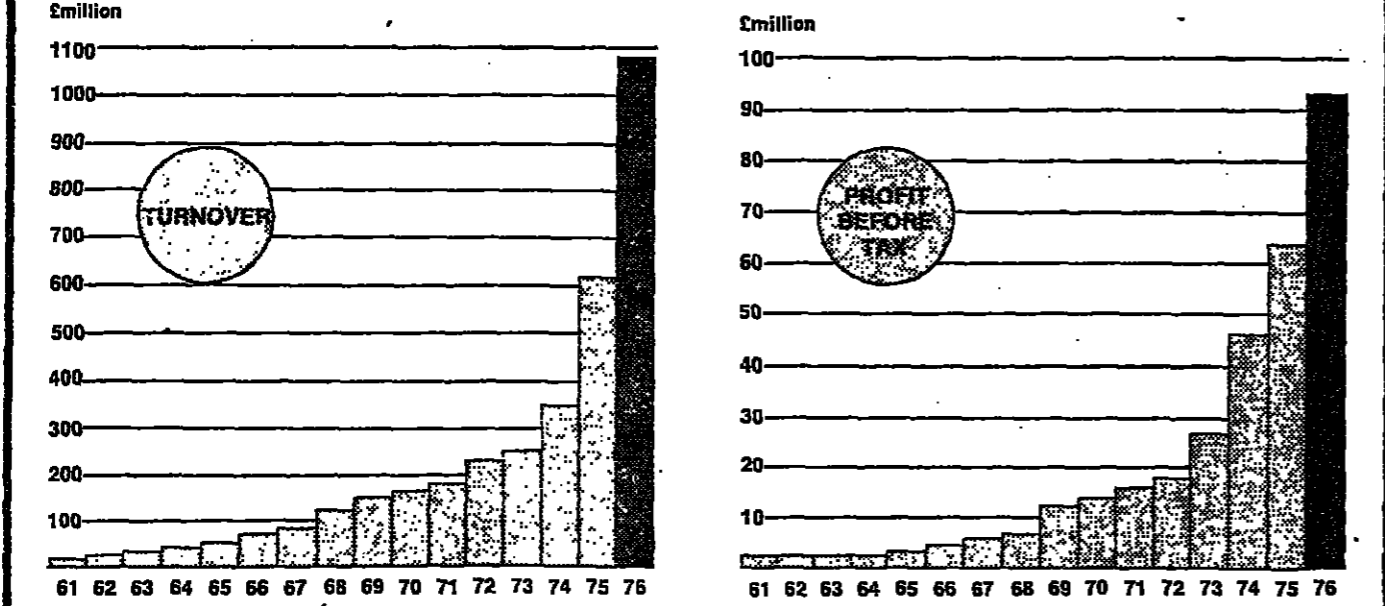
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comment

LONRHO

'Year after year'



Year at a glance

Table comparing 1976 and 1975 performance across various metrics: Turnover, Profit before Taxation, Extraordinary profit, Funds employed, Profits attributable to Lonrho Shareholders, Dividends per share, Capital expenditure, Net assets per share, Earnings per share, Countries, Group companies, Employees, Shareholders.

The sixty-eighth Annual General Meeting of Lonrho Limited will be held at the Great Room, Grosvenor House, Park Lane, London, W.1. on Tuesday, 1 March, 1977, at 12 noon.

Winterbottom sees higher earnings

It appears that earnings per share of Winterbottom Trust will show a satisfactory increase in the current year, says Mr. S. A. Field, the chairman.

As reported on January 5, gross revenue for the year ended November 30, 1976, rose to £0.58m. (£0.52m.) and revenue before tax improved £25,892 to £30,083.

The dividend for the year was up at 3.75p net. Net assets at year end were £13.28m (£12.8m) and asset value per 25p share was 218p (202.3p) including full currency premium of 34.7p (41.5p).

comment

comment

comment

comment

comment

TELEFUSION LIMITED

Mr. John Wilkinson reports first half profits of £117m which exceed those for the whole of the previous year.



INTERIM REPORT 1977

Table with columns: Metric, 26 weeks Oct. 1976 Unaudited, 26 weeks Oct. 1975 Unaudited, 52 weeks April 1976 Audited.

The considerably improved interim results show profits for the first half year of 1976/77 to be in excess of the entire profit for 1975/76.

These satisfactory results are mainly due to the combination of a broadening of the range of retail products and the partial easing of the higher rate of V.A.T.

Rental during the half-year has shown a satisfactory increase in turnover, whilst a substantial increase in retail turnover has enabled the Trident Discount operation to show reasonable profits throughout the period.

The overseas subsidiaries increased turnover by 55%. The Board anticipates that Group profits in the second half year will exceed those of the first half-year.

Handwritten note in Arabic script.

Telefusion climbs back with £1.18m. halfway Lonrho to flourish

BROADENING of product range and partial easing of VAT are mainly responsible for a sharp recovery in half year profit at Telefusion, says Mr. John N. Wilkinson, the chairman. Of the 26 weeks ended October 31, 1976, profits advanced from a depressed £24,000 to £1,177,000, exceeding the figure for the whole of 1975-76 by £50,000.

The directors anticipate that profits for the second half will be higher than that for the first half.

The interim dividend is lifted to 0.55p net (0.5p) per 5p share. Total payments for last year were £1,047,765p.

Rental during the half year showed a satisfactory increase and a substantial increase in net profit. The group's operations in the Trident Discount operation to show reasonable profits throughout the period, Mr. Wilkinson states.

climbing back helped by a switch of emphasis to white goods rather than the more volatile TV market. Trident's interim sales are 74 per cent. higher at £19.5m., and a continued recovery is looked for in the second half to take full-year profits up to £700,000. Meanwhile TV rental has shown steady growth with profits higher by nearly a fifth. Set density per outlet is still relatively low (around 1,700 to 1,800 sets) but a stream of small acquisitions is building it up and improving profitability. A 6 per cent. price increase from mid-November is expected to give that added boost to take rental profits up to £2m. in the year, a group total of £2.7m., a good recovery, but far from the palmy days of 1973-74 when profits topped £3.5m. At 25p the prospective p/e is 8.8 and yield is 71 per cent., which is fair for a group with quality rental income, but Trident does not fall into quite the same category.

While the national economic situation may result in some restriction in turnover it would appear from the performance to date that the results for the current year will maintain the improved position, they add.

On increased capital earnings per 5p share are shown have increased from 0.55p to 1.57p.

As forecast the dividend total is 0.575p net (0.44875p) with a final of 0.575p. Treasury consent has been obtained. A one-for-four scrip issue is proposed and a consolidation into 25p shares.

IN HIS ANNUAL statement, Mr. R. W. Rowland, chief executive of Lonrho, says that year after year the group has grown. He hopes it will continue to flourish and sees no reason why it should not.

Audited pre-tax profit reached a record £93.37m. in the year ending September 30, 1976, an increase of 47 per cent. Turnover expanded from £606m. to £1,085m. A further feature was the extraordinary profit item of £10.4m., compared with £5.4m.

Profit attributable increased sharply by £3.1m. to £44.08m., and earnings per 25p share were 23.14p against 18.07p.

As reported in previous years, the share capital of Nyaschere Copper (Private) is indirectly held as to 50 per cent. by the Lonrho Group and as to 50 per cent. by a subsidiary of a company controlled as to 70 per cent. by Mr. R. W. Rowland, and as to 20 per cent. by family trustees of Mr. A. H. Ball, and as to 10 per cent. by family trustees of The Hon. A. J. B. Ogilvy, a former director.

Nyaschere is financed by local currency loans from the Group and, as a September 30, 1976, this amounted to £3.25m. (£2.43m) on which interest is charged at 1 per cent. above local prime lending rate. The increase in the loan account has been caused by low copper prices.

The resolution of any possible conflict of interest necessarily had to await the outcome of the litigation in which a third party had claimed an interest in Nyaschere. This was disposed of only very recently, all claims against Lonrho being withdrawn. It is now possible to take active measures to dispose of this matter once and for all, and this the Board is doing. The matter is complex and will, of necessity, take time to resolve. Shareholders will be kept informed.

The improvement in performance stemmed mainly from export confirming, finance and insurance operations, as well as manufacturing, general trade, agricultural equipment, machinery, motors and textiles.

Lonrho is now made up of 620 companies operating or represented in 59 different countries.

An analysis of group turnover and profit by activities shows in 1976: the agricultural equipment, machinery and motors £382.75 (£173.07) and £28.38 (£19.28), agriculture £58.52 (£47.96) and £1.61 (£1.53), export confirming, finance and insurance £185.47 (£107.20) and £15.33 (£2.82), general trade £230.43 (£111.67) and £13.33 (£8.90), manufacturing and construction £95.49 (£44.69) and £19.64 (£13.80), mining £38.76 (£43.41) and £3.53 (£9.38), printing and publishing £10.89 (£5.21) and £1.01 (£0.07), shipping £3.71

(£3.85) and £0.47 loss (£0.35 profit), textiles £42.58 (£34.13) and £6.33 (£4.98), and wines, spirits and beers £40.82 (£31.79) and £1.37 (£0.39). Central finance charges (including loan stock interest) and expenses absorb £4.61 (£3.53). A geographical split shows East and Central Africa £217.04 (£218.42) and £25.36 (£29.36), Southern Africa £113.65 (£43.98) and £16.04 (£8.63), West Africa £218.37 (£162.50) and £38.03 (£17.99) and U.K. and other £42.45 (£180.80) and £18.94 (£7.42).

A net surplus on currency realignments contributed £23.77m. (£5.55m.) to the extraordinary credit. The other items were a profit on disposal of equity in associates of £1.32m. (£0.08m. loss), a loss on realisation of equity interest in associates of £7.33m., a loss on subsidiaries deconsolidated of £6.38m., and other losses of £1.02m. (£0.5m.).

Net current assets are up from £27.4m. to £102.03m., reflecting an increase in stock and work in progress from £144.47m. to £228.32m.

Net liquid funds decreased by £10.28m. (£38.64m.) with cash balances up by £9.97m. (£5.67m.) and bank loans and overdrafts up by £11.25m. (£64.31m.). Of the decrease in funds £5.95m. (£48.18m.) arose in the U.K. and £4.33m. (£10.45m.) overseas.

The Wankel patent rights asset is shown in the right balance sheet at £3.18m. (£2.45m.) being £11.08m. the sterling equivalent at the date of acquisition, less accumulated annual charges for writing down the patent rights totalling £7.90m. (£7.57m.).

At the year end group capital commitments stood at £15.31m. (£12.22m.) with £5.09m. (£7.5m.) contracted for.

Contingent liabilities, increased from £36.83m. to £83.99m., reflecting a rise in third party guarantees from £33.35m. to £85.07m.

Meeting, Grosvenor House, W., on March 1st at noon.

See Lex

comment

A £800,000 turnaround to a £300,000 profit at Trident Discount is the key to Telefusion's recovery. With VAT dropped to 15 per cent., Trident's volume is

Whatlings £0.46m. and scrip

COMPARED with a forecast of not less than £0.4m., taxable rental income, but Trident does not fall into quite the same category.

Turnover	3,611,270	1974-75
Profit before tax	44,325	22,989
Income tax	243,178	25,736
Corp. tax repayable	—	152
Overseas tax	—	152
Adj. over years	—	152
Net profit	218,147	118,103
To Res. fund	2,288	2,337
Dividends	64,000	44,885
Forward	578,869	388,973
Retained	107,253	378,968

Gough Cooper well below forecast at £0.86m.

SECOND HALF profit at Gough Cooper and Co. dropped sharply from £477,093 to £26,268 giving a year end (to September 30, 1976) total of £558,268, compared with £1,537,093.

In July last year, when reporting first half profits down by £225,000, the directors had predicted that the year should be similar to the previous 12 months.

Earnings per 20p share for the year are shown to be down from 3.3p to 3.6p before an extraordinary debit of £384,779—£26,268 figure which is favourable tax adjustment of £199,000.

The net final dividend is 3.25p and the total 5.2p (same), as forecast.

Referring to the extraordinary item, the directors state that after the year end the company disposed of its investment in the associate. The total losses relating to this disposal have been written off, including the loss of investment in and loans to the associated company.

together with a relatively strong share sheet—borrowings are only 45 per cent. of net worth—provide a strong backing for the shares even though the 17.1 per cent. yield is uncovered by historic earnings.

English & New York Trust earnings up

Gross investment income increased by £0.25m. to £1.57m. at 1976-75 figure which is favourable tax adjustment of £199,000.

The net final dividend is 3.25p and the total 5.2p (same), as forecast.

Referring to the extraordinary item, the directors state that after the year end the company disposed of its investment in the associate. The total losses relating to this disposal have been written off, including the loss of investment in and loans to the associated company.

fluctuating supply of cars, particularly from the Morris side of Leyland at a time when demand was strong. He adds that the delivery position is improving, and the current year has started on a better note.

Kellett and Pick traded at a loss during the year, and many difficulties were encountered. Mr. Buist says the subsidiary has now been put under the control of Buist Motors as a branch, and members are told that it stands a reasonable chance of contributing to profits in the current year.

Patner and Stadium had an excellent year's trading, and once again turnover and profit were at a record, Mr. Buist says. All sections worked to capacity throughout the period, and the current year has started well, he adds. Plans have been made for expansion.


Investment Income	1,568,289	1,244,097
Interest	475,375	212,338
Management expenses	105,322	85,336
Dec. etc. interest	192,825	211,149
Taxation	321,181	388,184
Prof. dividend	15,125	16,875
Available Div.	846,822	782,811
Interim dividend	100,000	100,000
Final dividend	746,822	682,811

Caution at CGSB

If CGSB Holdings can obtain an adequate and uninterrupted supply of cars, says Mr. Eric Buist, the chairman, it can attack the market successfully, even in the face of stiff competition. In his annual statement for the year ended September 30, 1976, he does not say that he does not feel justified in making a prediction of the results for the current year.

Pre-tax profit of the group fell from £365,072 to £194,090 in the year under review, and dividends totalled £2,757p net (1.916p) per 10p share from earnings of 2.2p (4.2p).

Mr. Buist says that the reduction in share price, the very poor results from the subsidiaries operating Leyland franchises, Buist Motors, Kellett and Pick, and Patner and Stadium, has caused Buist Motors, says the chairman, at least £1m. This prospect, and



National Westminster Bank

Rate Changes

National Westminster Bank announces that for balances in its books as from and including Friday, 4th February, 1977, its Base Rate for lending is reduced from 13% to 12½% per annum and its Deposit Rate on all amounts lodged subject to seven days' notice of withdrawal is 9% per annum.

Savings Accounts will now attract interest at 9% per annum.


All other rates remain unchanged.

Standard Chartered

announce that with effect from the close of business on 3rd February, 1977, the following annual rates will apply

Base rate..... 12½%

Deposit rate..... 9%



Williams & Glyn's

announce that with effect from Friday, February 4th 1977, the following rates will apply

Base rate..... 12½% p.a.

Deposit rate..... 9% p.a.

Savings account 9% p.a.

WILLIAMS & GLYN'S BANK LTD

comment

Gough Cooper disappointed the market yesterday with a 44 per cent. slide in annual pre-tax profits and the shares dropped to 50p. The sharpest decline in housing-related profits is topped by more than two-thirds but that figure was struck after write-off of around £100,000 on an aborted Middle East contract.


At immediate outlook for the group's housing side, in fact, seems brighter than most. Over a last few years it has increased concentration on contract housing, and this is now beginning to pay off. This year a big turn in contract work is expected to push overall complexity up to at least 1,500, against 1,100 last year, and 860 in 1975.

Contracting work is expected to reach slimmer but with a modest increase in rental income also on cards, plus some recovery Motors, Kellett and Pick, and Patner and Stadium, should strengthen towards 1977, says the chairman, at least £1m. This prospect, and

Midland Bank

Base Rate

Midland Bank Limited announces that with effect from February 4th 1977, its Base Rate will be 12½%, and that its Deposit Rate on amounts lodged at its branches subject to 7 days notice of withdrawal will be 9% on balances of all amounts.




Midland Bank

Lloyds Bank

Base Rate

Lloyds Bank announces that, with effect from Friday, February 4, 1977, its Base Rate for lending is reduced to 12½%.

The rate of interest on 7-day notice Deposit accounts and Savings Bank accounts will be 9%, a decrease of ½%.



Hill Samuel

Base Rate

Hill Samuel & Co. Limited announce that with effect from Friday, February 4th, 1977, their Base Rate for lending will be reduced from 13 per cent. to 12½ per cent. per annum.

Interest payable under the Bank's Demand Deposit Scheme on sums of £500 up to £100,000 will be at the rate of 10½ per cent. per annum. Interest rates for larger amounts will be quoted on application.

Hill Samuel & Co. Limited
100 Wood Street
London EC2P 2AJ
Telephone: 01-628 8011



RECENT ISSUES

EQUITIES

Code	Company	1976/77	High	Low	Stock	Dividend	Yield	Div. P. on Annual	Div. P. on Market	Div. P. on Yield
NT	100	100	100	100	100	100	100	100	100	100
P.P.	100	100	100	100	100	100	100	100	100	100

Midland Bank

BASE RATE

The Bank of Scotland intimates that, as from 4th February, 1977, and until further notice, its Base Rate will be TWELVE AND ONE HALF PER CENT. PER ANNUM.

LONDON OFFICES—DEPOSITS

The rate of interest on sums lodged for a minimum period of 7 days will be NINE PER CENT. PER ANNUM also with effect from 4th February.

LLOYDS BANK INTERNATIONAL

40/56 Queen Victoria St., London EC4P 4EL. Tel 01-248 9822

Coutts & Co

Coutts & Co. announce that, for balances in their books on and after the 4th February 1977 and until further notice their Base Rate for lending is 12½% per annum. The Deposit Rate on all monies subject to seven days' notice of withdrawal is 9% per annum.

"RIGHTS" OFFERS

Company	Letter	1976/77	High	Low	Stock	Dividend	Yield	Div. P. on Annual	Div. P. on Market	Div. P. on Yield
100	100	100	100	100	100	100	100	100	100	100

BANK OF SCOTLAND

BASE RATE

The Bank of Scotland intimates that, as from 4th February, 1977, and until further notice, its Base Rate will be TWELVE AND ONE HALF PER CENT. PER ANNUM.

LONDON OFFICES—DEPOSITS

The rate of interest on sums lodged for a minimum period of 7 days will be NINE PER CENT. PER ANNUM also with effect from 4th February.

INTERNATIONAL COMPANIES

IRI warns about bankruptcies

ITALY'S state-owned holding company IRI—the country's largest single employer and largest enterprise—has warned that several of its major subsidiaries like Finmeccanica, Alfa Romeo, Alfa-

Japanese video tape rivals

BATTLE LINES between two groups of Japanese video tape recorder manufacturers have been clearly drawn following the announcement by Sony Corporation of a tie-up with two leading electric home appliance producers, Tokyo Shibaru Electric

Swiss banks to boost capital

SWISS banks, Bank Leu, Banca del Gottardo and Banca di Lugano are to increase their capital at forthcoming general meetings.

Steady market in Vienna

ORDINARY shares registered in the Vienna Bourse do not show any dramatic fluctuations last year with the index between the highest and lowest level of the share

wiggins group

RESULTS TO 30th SEPTEMBER 1976
Tax Profits £106,196 (£68,996)
Dividend 0.7375p (0.6125p)

Wiggins Group Ltd, 57 Hart Road, Welby, Leicestershire, LE12 5PD.

ROME, Feb. 3. seven of its subsidiaries were facing imminent bankruptcy. At the time, the group was accused of starting liquidation proceedings and threatening some 18,000 redundancies to force the Government to award it extra subsidies.

Thyssen bond on Monday

AUGUST THYSSEN RUEHE, the major German steel concern, confirmed in Duisburg that its DM150m domestic bond would come to the market on Monday next week.

Air Siam loses operating licence

THE THAI Cabinet has revoked the operating licence of the troubled airline Air Siam, dealing a blow to the international airline as a major blow, reports AP-DJ from Bangkok.

RUAU Group requests low interest loan

BELGIUM'S second largest steel concern, the RUAU group, has asked the Belgian Government for a B.Frs.4bn. (£62.5m.) low interest loan to help meet its current cash crisis, reports David Buchan from Brussels.

SELECTED EURODOLLAR BOND PRICES

Table with columns for bond types (STRAIGHTS, CONVERTIBLES), currencies, and prices. Includes entries for Japan, Canada, and various Eurodollar bonds.

The Board of GOLDEN HOPE PLANTATIONS

strongly recommend shareholders to accept the HME merger proposals...

- The merger enables you to maintain an outstanding investment in the plantation sector.
The merger should more than double your income.
The merger will increase the potential for continued outstanding growth.

Do not sell your shares at Genting's price. Accept the merger proposals NOW by filling in and posting the green acceptance form already sent to you so that it will arrive at Harrison's & Crosfield, 1-4 Great Tower Street, London EC3R 5AB. Not later than 3.00 pm on Monday, 7th February 1977.



Mr. Shinbei Konishi, President, Takeda Chemical Industries, Ltd.

Takeda Chemical Industries, Ltd.

Report by Mr. Shinbei Konishi, President, for the six months ended 30th September, 1976



Since the Japanese recession reached its lowest point one year ago the economy has gradually improved. However, we cannot expect the same high rate of growth as we have experienced in the past and the current trend is toward a modest growth accompanied by continuing adverse factors both at home and abroad.

Pharmaceuticals: Sales of our Pharmaceutical Division were ¥18,162 million (560,007 thousand) or 23.4% over the same period in 1975. The Japanese chemical industry, which suffered a sharp deterioration in production and sales due to the recession, has been recovering in parallel with the recovery of the world economy.

Food Products: Sales of our Food Products Division were ¥28,393 million (598,926 thousand) or 5.3% below the same period in 1975. Sales of food seasonings failed to sustain their past rate of increase. We were not able to achieve our expected results because of high cost of raw materials.

FINANCIAL SUMMARY FOR THE SIX MONTHS ENDED 30th SEPTEMBER, 1976 WITH COMPARATIVE FIGURES FOR 1975. Table with columns for 1975, 1976, and Yen Millions.

Industrial Chemicals: Sales of our Industrial Chemicals Division were ¥17,162 million (560,007 thousand) or 23.4% over the same period in 1975. The Japanese chemical industry, which suffered a sharp deterioration in production and sales due to the recession, has been recovering in parallel with the recovery of the world economy.

Capital Investment: No new large capital investments were made during the period. However, we have continued the construction of facilities for fermentation research and for drug safety research in the Osaka plant and of the distribution centre in Kyushu.

Table with columns for 1975, 1976, and Yen Millions. Includes rows for Issued capital, Capital and revenue reserves, Net sales, Operating profit, Interest, dividends and other income, Provision for income taxes, Net earnings.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

EUROMARKETS

Sweden to borrow \$1bn.

BY TONY HAWKINS

SWEDEN IS to borrow \$1bn. spreads dip below 1 per cent. in the Euromarket with a seven-year credit on an average spread of less than 1 per cent. according to informed market sources. It will be the third major Euro-market loan of 1977—following the \$1.2bn. borrowed by Britain and \$1.2bn. for Venezuela.

Three other new Euroloan developments include news of the \$180m. credit over six years (average life 4 1/2 years) for the East German Deutsche Ausenhandelsbank on a spread of 11 per cent. On the previous borrowing by this bank, the spread was slightly higher at 1 1/2 per cent.

Credit du Nord's dividend passed

PARIS, Feb. 3.

THE FRENCH banking group Credit du Nord has announced that it will pay no dividend for 1976 on profits down to around Frs.5m. after Frs.110m. depreciation and provisions. Its net earnings were Frs.31.5m. in 1975. It notes that its merger with the Banque de l'Union Parisien now completed, involved an extra Frs.30m. of costs in the first half.

Siemens non-committal on 1976-7

BY GUY HAWTIN

SIEMENS, WEST Germany's largest electrical concern, remains firmly non-committal about the 1976-77 business year. Turnover is expected to rise—current estimates put it at 5 per cent. predictions on profits have not been forthcoming.

In the first quarter they rose by 6 per cent. from the DM2.2bn. of the first quarter of 1976/77 to DM2.5bn. This, however, DM2.5bn. Indeed, Dr. Pleitner indicated that high personnel costs played a part in the anxiety the group felt over its possible performance in overseas markets during the year.

Export orders in the three months, against a year previously, had risen from DM1.2bn. to DM2.2bn., while domestic bookings had gone up by 11 per cent. from DM2.6bn. to DM2.9bn. Despite the healthy fourth quarter figures, Siemens was expecting orders to increase only slightly over the 1976-77 total.

KWU would be profitable at the start of the 1980's at latest, said Dr. Pleitner. He said that Siemens' order book currently stood at DM3.2bn. and 1977 would be between DM3.5bn. and DM3.8bn. an estimate which is plenty of room for error. He said there could be a problem with the construction of nuclear power stations due to the shortage of nuclear fuel.

Neckermann hit by sales fall

BY ADRIAN DICKS

BONN, Feb. 3.

NECKERMANN, the loss-making West German stores, retailing and travel group which was taken over by the Karstadt group last year, published figures today which showed it lost 7.7 per cent. of its group turnover during 1976, to achieve only DM2.6bn. (£826m.).

its neck, suffered a 9 per cent. drop in turnover to some DM1.5bn. and the mail order side of the business saw its turnover decline 5 per cent. to DM1bn.

this, it managed to increase turnover by 10 per cent. Neckermann Eigenheim, the prefabricated housing subsidiary, also registered a healthy increase in its turnover of 41 per cent. to DM337m.

Occidental Pet. of Venezuela to sue

BY JOSEPH MANN

CARACAS, Feb. 2.

OCCIDENTAL PETROLEUM of Venezuela will sue the government here for \$23m. compensation relating to the nationalisation of the company made in the southern section of Lake Maracaibo, near Venezuela's most important petroleum producing region.

However, the government broke off talks on compensating Occidental for the takeover after the company had paid several million dollars in bribes and political contributions in order to win a drilling contract in Lake Maracaibo.

Demand for the company's electric motors showed an especially sharp increase, of 20 per cent. while other areas of its business such as cookers, refrigerators and similar household appliances were described as less than wholly satisfactory.

Jaeger passes turning point

PARIS, Feb. 2.

JAEGER the French motor and aerospace components manufacturer has announced today that it expects a further healthy rise in activity during the current year, with the motive force coming from foreign demand. Last year, the concern stated, strong overseas demand led to a 9 per cent. rise in group turnover.

Moore plans

Moore Corporation's plan to increase its holdings in Lamson Industries to one hundred per cent. from 82 per cent. is to give greater planning flexibility in matters such as taxation, organisation and product development in its international operations, according to Mr. Richard Hamilton, President of Moore.

AMERICAN NEWS

Tenneco profit rise

BY OUR NEW YORK STAFF

NEW YORK, Feb. 3.

TENNECO, a major supplier of natural gas, has announced favourable fourth quarter and year-end results, though these results do not reflect the problems which now beset the company in the present cold siege throughout much of the eastern and mid-western areas of the U.S.

not only of the American and Canadian governments but also that of Algeria, whose tanker fleet transport the gas across the Atlantic.

Year-end results include a 12 per cent. increase in net to \$383.5m. or 4.33 a share. Fully diluted share net was 3.92 against 3.63. Operating revenue increased 14 per cent. to \$6.6bn. from \$5.6bn.

He and other AMC executives noted that AMC has already implemented a number of temporary closings of its car-making operations this quarter to control inventories in the face of continued slow sales.

vehicle operation in Toledo, Ohio, and they disclosed that AMC's bus-making operation in Indiana was closed last week and will remain idle for the rest of this month due to a lack of orders.

Gen. Foods dividend GENERAL FOODS Corp. said it increased its quarterly dividend to 41 cents from 37 cents, reports Reuter from New Jersey.

INGERSOLL-RAND said its Board has increased the quarterly dividend to 70 cents a share from 67 cents, reports Reuter from New Jersey.

Bell Canada urged to divest

By Robert Gibbons

THE ISSUE of a breakup of the close relationship of Bell Canada's largest telephone company and Northern Telecom and other telecommunications companies is being raised by the Federal Restrictive Practices Commission.

Gen. Foods dividend GENERAL FOODS Corp. said it increased its quarterly dividend to 41 cents from 37 cents, reports Reuter from New Jersey.

INGERSOLL-RAND said its Board has increased the quarterly dividend to 70 cents a share from 67 cents, reports Reuter from New Jersey.

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, February 2. These exchange rates have been compiled by Bank of America NT & SA's worldwide network of branches from various sources.

units per one U.S. dollar except for U.K. sterling (and those currencies at par with sterling) which is quoted in dollars per sterling unit. These rates are asterisked.

Table with columns: Country, Currency, Value of DLR, Country, Currency, Value of DLR. Lists exchange rates for various countries like Algeria, Albania, Algeria, etc.

EUROBONDS Hitachi Zosen issue

BY TONY HAWKINS

THE HITACHI Zosen Company is to raise \$30m. in the Eurobond market with an issue of seven-year notes guaranteed by the Sanwa Bank, Nikko Securities and S. G. Warburg.

earlier this week, is reported to have been very strong indeed. New prices include the pricing at 99 1/2 of the Iceland \$20m. 9 per cent. 10-year issue.

Hitachi Zosen is a leading Japanese heavy industrial group engaged in building, repairs and remodelling of ships and the manufacture of a wide range of industrial products.

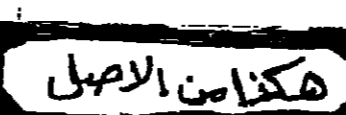
Quebec issues tended to be marked down, but some of the other Canadian issues experienced some support from North American buyers at the lower levels because they are now looking attractive relative to domestic bond market levels.

BONDBOND INDEX table with columns: Medium, Long, Convertible and values for Thursday Wednesday.

PRIVATE PLACEMENT table with columns: Country, Currency, Value of DLR.

Quebec Urban Community

Can. \$15,000,000 9 1/2% Bonds due 1982. European Banking Company Limited. Amsterdam-Rotterdam Bank N.V. Banca della Svizzera Italiana.



APPOINTMENTS

Chief Executive

Applications are invited from suitably qualified persons for the appointment of Chief Executive to succeed Mr. A. R. Baldwin, M.Eng. F.I.C.E. F.I.W.E.S., who retires on 18th April 1977. The responsibilities of the Authority include water conservation and supply, sewerage and sewage disposal, river management, land drainage, water recreation and fisheries for the County of Yorkshire, being an area of 6,500 square miles, with a population of some 4½ million - the greater part of which is centred on the woollen and steel industries. It has 6,500 employees and current annual budgets of £110 million (revenue) and £50 million (capital). At the Authority's headquarters in Leeds there are three Directorates covering Operations, Finance and Resource Planning, together with three Departments covering Personnel, Legal and Administration, the heads of which form the Corporate Management Team. The region is managed through seven multi-purpose Divisions based on river catchment areas, and one Division covering the region for land drainage purposes. The person appointed will be the Authority's Chief Officer and Principal Adviser on policy. Candidates should have a proven record of achievement in a large scale organisation. The salary for the post will be in keeping with its demands and responsibilities. Applications should be forwarded to the Chairman, Yorkshire Water Authority, West Riding House, 67 Albion Street, Leeds LS1 5AA from whom further details can be obtained. The closing date for applications will be 21st February 1977.

Yorkshire Water 

General Management

EXPORT MARKETING AND SALES

- THIS new appointment is to lead the export arm of a company manufacturing ranges of static and mobile units with a wide range of applications. The enterprise has an impressive record of profitable growth in world markets.
- THE role is to exploit a unique opportunity for generating new business in developing countries, with the initial emphasis on the Middle East and Africa, and to formulate long term export strategy.
- ESSENTIAL requirements are: success, at top level, in export marketing management, involving complete profit responsibility and experience of direct selling, contract negotiation and execution, and the motivation of agents.
- AGE under 45. Terms are negotiable. Remuneration is unlikely to be less than £15,000.

Write in complete confidence to P. A. R. Lindsay as adviser to the company.

TYZACK & PARTNERS LTD
10 HALLAM STREET LONDON W1N 6DJ
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

Investment Banking

KUWAIT

- THIS senior appointment is in a large and well known US financial institution, a major participant in a consortium of financial interests with established operations in The Gulf.
- BASED in Kuwait, with a high measure of personal autonomy, the role encompasses responsibility for corporate finance, international and Eurodollar bond issues, primary market placings and secondary market transactions.
- A VERSATILE and experienced investment banker is required with an affinity for living and working in The Gulf.
- REMUNERATION is negotiable with a substantial tax free base salary and attractive fringe benefits.

Write in complete confidence to J. E. B. Drake as adviser to the bank.

TYZACK & PARTNERS LTD
10 HALLAM STREET LONDON W1N 6DJ
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

EXPORT SALES

A new and challenging appointment is being made by our Company, who are Scottish manufacturers of medium weight capital equipment. It is intended to appoint an Export Sales Executive who will be based upon our London Office, but who must be prepared to travel overseas, not only to the Continent, but in the Middle East and Central and Northern South America. There will be available commensurate salary, pension benefits, company car, and other appropriate benefits.

Application, together with curriculum vitae, to Managing Director, Box A.5820, Financial Times, 10, Cannon Street, EC4P 4BY.

Operations Director

• THIS appointment is to the main board of a major company providing a wide range of plant, equipment and services to the engineering, chemical and energy industries. Financial and technical resources are strong and further growth lies ahead.

• THE role is to direct the profitable execution of multi-million pound contracts and the associated manufacturing operations. Principal subordinates include senior managers in charge of contracts, engineering, procurement, construction and manufacturing.

• EXPERIENCE in a comparable role at the top of a front rank company, preferably concerned with the process plant and steam generating industries, is essential.

• TERMS are negotiable. Salary indicator is around £15,000.

Write in complete confidence to K. R. C. Slater as adviser to the company.

TYZACK & PARTNERS LTD
10 HALLAM STREET LONDON W1N 6DJ
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

Technical Director

for a company with an enviable reputation for the technical excellence of its formed metal components supplied to a wide range of OEMs in the UK and world markets.

• RESPONSIBILITY embraces the development and maintenance of machinery and plant, industrial engineering, product design, and materials specification. There are firm prospects of early advancement to general management.

• PROVEN achievement, at senior management level in a comparable role, is the prime requirement. Career progression is likely to have stemmed from a degree, or professional qualification, in mechanical engineering or metallurgy.

• PREFERRED age under 40. Terms are for discussion based on a starting salary of £10,000.

Write in complete confidence to K. R. C. Slater as adviser to the company.

TYZACK & PARTNERS LTD
10 HALLAM STREET LONDON W1N 6DJ
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

Whatever your experience, you could be more successful in OP sales!

IBM's Office Products sales men and women come from many walks of life. But they all have certain things in common: a good education (many are graduates), a record of achievement, a strong outgoing personality, the intelligence to get to grips with and solve problems of business efficiency and the determination to succeed. If you recognize these attitudes to yourself - find out more about the opportunities in the City with the Office Products Division of IBM's General Business Group by writing for an application form to: Bill Craft, IBM United Kingdom Limited, 25 The Quadrant, Richmond, Surrey, quoting ref: FT/8282.

LOUGHBOROUGH UNIVERSITY OF TECHNOLOGY

MANAGEMENT ACCOUNTING

Applications are invited for the post of LECTURER in Management Accounting in the Department of Management Studies. Candidates, who should be graduates with a professional accounting qualification, should have a specialised interest in cost and management accounting.

Salary - within scale £23,333-£6,655. Postcard requests for application form and further particulars to Assistant Registrar (Establishment) ref: 77/87MS. Candidates may also telephone Professor John Slater for informal discussion. Phone (0509) 63171, ext. 325.

Loughborough Leicestershire

INTERNATIONAL APPOINTMENTS

GRADUATES

Thinking of a career in Banking overseas

We are an International Banking Group with branches throughout the world, who offer the opportunity of a demanding and rewarding career in the Middle and Far East after a short period of training in London.

Vacancies exist for personable and enthusiastic graduates who possess a second class honours degree or better in finance related disciplines, where law, accountancy and economics have been studied. Applicants should preferably have qualified as BA Business Studies, A Management Sciences or BSC Economics (Finance option). Applications from holders of an HND Business Studies are also invited. Candidates are required to be 22 years of age or under and unmarried.

For further details write to Box A.5823, Financial Times, 10, Cannon Street, EC4P 4BY.

MARKET RESEARCH ANALYST

One of the world leaders in the metal building industry seeks Market Research Analyst for Kuwait. Reporting to V.P. Marketing, individual will be singularly responsible for developing entire market research concept. Position involves evaluation of private and governmental construction and peripheral industry markets in Middle East. Also evaluation of new product applications for existing or projected Middle East market needs. Applicants should also possess an advanced university degree in business, marketing, operations research or marketing statistics. Experience level should be 5 to 8 years in sophisticated market research in manufacturing - preferably in construction-related industry. Language requirements: fluent Arabic absolutely essential, and English. Attractive salary and fringe benefits, plus dynamic career growth opportunity for the right person. Interviews will be conducted beginning February 8. Please send resume and salary history (essential) immediately to:

Mr. Leo Sheh, Afghanistan - I.R. Room 502A, Triumph House, 189 Regent Street, London W.1.

FINANCIAL DIRECTOR

MIDDLE EAST: £30,000 pa

For a UK/US consortium which is one of the world's largest in municipal and general cleaning services. Offices are in London, San Francisco, Chicago and Toronto, with European/Middle Eastern affairs administered from Geneva.

A young professional is required to take resident charge of finance for a major Arabian project. International experience of company formation, money movement and exchange controls, and knowledge of US budgetary and accounting systems, essential.

Housing, children's education and car will be provided and it is likely that the Director will be able to save one year's salary during the initial three-year contract.

Private letters to Mr. A. J. C. Lyddon at 606 Grand Buildings, Trafalgar Square, London WC2N 5HN.

ALLAN LYDDON

London - Sevenoaks - Richmond - Toronto

V-P Finance & Administration

Building Construction Saudi Arabia

US \$40,000+

Our client is a U.S. building construction company, which has started a number of contracts in Saudi Arabia worth \$20m. Rapid expansion is planned. They require a Vice-President to develop and take charge of all financial and administrative functions, including planning, control, treasury and personnel work. International currency transactions and negotiations at government level will also be involved.

Candidates must be qualified accountants with 10 years experience of financial reporting, budgeting and job costing in the construction industry including the design and establishment of such systems. Preference will be given to those with knowledge of the Middle East and with language proficiency, particularly in Arabic. Total remuneration will be made up of a base salary, foreign service allowance, and performance bonus. A contract will be negotiable for 2-5 years with a terminal bonus of 10% of total base salary earned. Housing, car and driver, medical care, schooling, and one month's leave per annum will be provided.

Please write in confidence with concise personal and career details quoting reference MBS4/FT to J.D. Atchley.

AMS

Arthur Young Management Services
Moat House, London Wall, London EC2Y 5HP

Financial Director

Indonesia

U.S. \$ 30,000+

Our client is a Canadian-based international company in the clothing industry, with world-wide manufacturing and marketing operations. The Indonesian subsidiary, which is located in Jakarta, has an annual turnover of \$17 million and employs 1700 local people.

The position of Financial Director, reports to the Company Manager and involves an unusually broad range of responsibilities. In addition to the controllership, treasury, personnel and purchasing functions, duties will include government relations and liaison with corporate headquarters.

We are looking for an aggressive chartered accountant with an entrepreneurial outlook, and a broad business perspective. Experience in a "third world" country, and knowledge of a second language would be a decided advantage. This position can lead to excellent promotional opportunities. Generous home leave, furnished accommodation, car and a pension scheme will be provided.

Please write in confidence, enclosing concise personal and career details, quoting reference MBS4/FT to J.D. Atchley.

AMS

Arthur Young Management Services
Moat House, London Wall, London EC2Y 5HP

INTERNATIONAL APPOINTMENTS
APPEAR EVERY FRIDAY
RATE £11.00 PER SINGLE COLUMN CENTIMETRE

ACCOUNTANT-BERMUDA
Major Insurance Group require Accountant for their Bermuda office. Excellent conditions of service, 3-year Contract. Salary \$18,000 plus per annum. Please telephone, in confidence: EILEEN MILLER I.P.S. GROUP 01-588 5792

A Specialised Newsletter Based in Paris is seeking an **ECONOMICS EDITOR**. We are a specialised weekly newsletter on Middle East Economic affairs. We require an Economics Editor. The successful candidate will have a degree in economics, have had journalistic experience and have an outstanding knowledge of Middle East Economics including oil, finance, and development, in London. Reply in confidence stating career details and present salary to Box A.5817, Financial Times, 10, Cannon Street, EC4P 4BY.

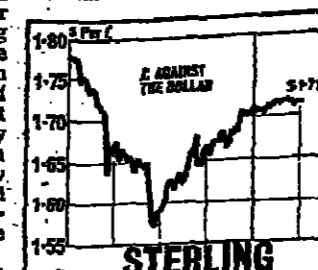
WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Further 5.65 loss on economic fears

Pound declines

GOLD MARKET

Table with columns for Gold Bullion, Gold Coins, and Gold Bars, listing prices in various currencies.



FOREIGN EXCHANGES

Table of foreign exchange rates for various currencies including New York, London, and other international markets.

SPECIAL DRAWING RIGHTS RATES

Table showing Special Drawing Rights (SDR) rates for various countries and currencies.

EXCHANGE CROSS-RATES

Table of exchange cross-rates between major currencies like the Dollar, Pound, and Deutsche Mark.

EURO-CURRENCY INTEREST RATES

Table of Euro-currency interest rates for various banks and currencies.

FORWARD RATES

Table of forward exchange rates for different currencies and time periods.

PLAGUED by a wide range of economic problems, Wall Street... The Dow Jones Industrial lost \$1 to 3421 on lower profits...

and Minerals, contrasting with a quiet trading in a reaction to the increase to 5.5 per cent...

Coppers eased late with Messina losing 10 cents to \$2.00... BONG KONG—Slightly higher...

Sterling was slightly weaker in a little, but may have gained the foreign exchange market...

THURSDAY'S ACTIVE STOCKS

Table of Thursday's active stocks including Gulf & Western, Amer. Steel, and others.

OTHER MARKETS

Canada mixed again

Another mixed trading session took place on Canadian stock markets yesterday...

INDICES

Table of various stock indices including Dow Jones, S&P 500, and others.

Y.S.E. ALL COMMON

Table of Y.S.E. All Common stock prices and movements.

MONTREAL

Table of Montreal stock market data.

TORONTO

Table of Toronto stock market data.

JOHANNESBURG

Table of Johannesburg stock market data.

GERMANY

Table of German stock market data.

MILAN

Table of Milan stock market data.

AUSTRALIA

Table of Australian stock market data.

BRASIL

Table of Brazilian stock market data.

JOHANNESBURG MINES

Table of Johannesburg Mines stock market data.

INDUSTRIALS

Table of industrial stock market data.

SPAIN

Table of Spanish stock market data.

STOCKHOLM

Table of Stockholm stock market data.

COPENHAGEN

Table of Copenhagen stock market data.

VIENNA

Table of Vienna stock market data.

OVERSEAS SHARE INFORMATION

Large table of overseas share information with columns for Stock, Price, and Dividend, covering various international markets.

FINANCIAL TIMES SURVEY

Friday February 4 1977

Tyne and Wear Metro

The ambitious plans for a new urban transport system on either side of the Tyne have been beset with difficulties. But it has escaped the public expenditure cuts and the Metro is planned to enter service in 1979.

Project stays on course

By Colin Jones

WORK ON TYNESIDE'S new Supertram Metro is now being pushed ahead with all possible speed. Yet only a few months ago it seemed all too likely that this ambitious project — probably the biggest new public transport enterprise to have been undertaken in the provinces in this century — would be halted in its tracks.

British Rail had abruptly repudiated an agreement providing for the Metro's joint operation and were lobbying hard for the project to be placed under its sole control. Even more ominously, there came from Whitehall a call for a full financial and economic re-appraisal in the light of the latest increase in the project's construction costs and the squeeze on public spending. Finally, on Tyneside itself, the local railwaymen were once again blocking the Metro's construction, denying the tunnelling contractors access to an important BR site on the banks of the Tyne.

Yet somehow the Tyne and Wear Passenger Transport Authority has managed to clear two of these hurdles and find a way around the third. The last may still be quietly rocking away under the gaze of a specially-convened TUC working party; but at least the blacking has been called off and no penalty points have been incurred — yet. With luck, the way could now be clear for the first Supertram to begin running sometime in 1979, thus ushering in a rail transport concept which will be entirely new to Britain.

Commuter

Basically, the Tyneside Supertram will be a lightweight rapid transit system combining the speed, reliability, and cleanliness of an urban electric-railway with the simplicity of operation and frequency of service of a town bus. It will not be overburdened with staff: the trams, which can be coupled up in rush hour, will be operated by one man and the stations will be unstaffed. It does not pretend to strike out into new technology: all the main engineering and operational principles have



A prototype tram designed for the new Metro.

been tried out and proven on the Continent. Nor has it involved creating a fully-fledged rapid transit system from scratch.

The Metro will take over two sections of loss-making BR commuter lines stretching for some 26 route miles on either side of the Tyne; convert them to lightweight rapid transit operation; link them up by means of eight miles of new construction, partly in tunnel, so as to free the system of BR's inter-city and freight activities; and then, finally, mesh the new complex with a completely remodelled urban and suburban bus network so as to create a single road and rail rapid transit system extending across Tyneside.

The project was conceived back in the late 1960s when the world was bustling with plans for new rapid transit construction and bright ideas for even more wondrous new rapid transit technology. Tyneside's Passenger Transport Authority had found, upon its formation in January 1969, that it was to be lumbered with the financial responsibility for the local rail commuter services which were then costing an awesome £700,000 annual subsidy to keep going.

Shortly afterwards, the Tyneside strategic land use and transportation study came out with a proposal for turning these lines into a rapid transit operation and linking them up with new tram-size tunnels under central Newcastle. Consultants reported that the rapid transit scheme would offer a better return than any of six possible alternatives — including retaining the local rail and bus services as they were, and converting the railway right-of-way to a specialised busway. By 1972, the project had received

the blessing of the Conservative Government in London and, even more usefully, the offer of a 75 per cent. infrastructure grant and an initial research grant.

But, if the local PTA thought they were home, they were soon undeceived. British Rail had never relished the idea of a rival rail operator and a remarkable display of barely-disguised hostility became manifest from some BR quarters. The PTA's invitation to British Rail to run the Metro on its behalf was spurned; the idea of a joint operating company, to which BR had reluctantly agreed, was repudiated when British Rail decided that it wanted sole operating control after all. To avoid being held to ransom, the PTA has bought a site for its own 1½ mile test track and took delivery by road of the first two prototype trains from Metropolitan Cam-

bridge. Here were a group of non-railwaymen proposing to do just that, simply by borrowing ideas that were already well known on the Continent. Yet what was British Rail's response? Apparently, to try to stifle the venture at its birth. British Rail may have with-

drawn from the war, but the same cannot yet be said about the railway unions — or, rather, their local members. The PTA has guaranteed jobs on the Metro to all railwaymen likely to be affected and offered re-training where necessary. It has said that it will accept representation by the rail unions as well as the bus unions, and that it will pay Supertram drivers at least the equivalent going BR rate. But it remains to be seen whether, when the day comes, the PTA will be able to negotiate the manning scales and the shift system that it has been envisaging.

This is not the only question mark which still hovers over the project. It may seem churlish to raise doubts about so imaginative and well-conceived attempt to meet Tyneside's transport problems — and one, too, which could become (indeed, may have already become) a shop window for Britain's exporters of transport equipment.

Climate

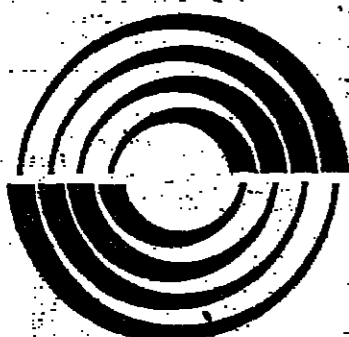
Yet the climate has undoubtedly become much chillier. The optimism of the 1960's, when city after city — abroad if not in this country — began pouring money into new or bigger urban rail networks has been replaced by a much more questioning mood.

The Tyne and Wear PTA does not share these doubts. It agreed with Mr. William Rodgers, the Transport Minister, at the end of last year that it would carry the full financial burden of any cost over-run beyond a ceiling of £161m. at November 1975 prices together with any operating loss in excess of £5m. a year on the bus and rail network combined.

Yet urban public transport systems throughout the industrialised world are becoming progressively more expensive to operate and support. The level of revenue support is increasing almost exponentially as patronage declines in the face of cost increases and the resumed growth in car ownership, even on systems which have stripped their manning standards to the basic minimum.

Tyneside is a medium-density conurbation spread out on either side of the river and car ownership, as yet, is relatively low. The Metro is seen (like the Fleet Line extension through London's dockland) as a lynchpin in the conurbation's regeneration, as a prime instrument for stemming the inner areas' loss of population and jobs. But if industry is ever to be induced back to these inner areas it is not only better personal mobility that is needed — and better housing, better amenity, a better quality of life all round — but better roads for moving freight and more space at less cost for well-laid out plants.

Still, it is right that, in a period of increasing uniformity in the provision of most of our public services, at least one area has seized and managed to retain the opportunity to experiment. Had the Tyne and Wear PTA succumbed last year to the tradition of public economy and the traditions of railwaymen, we would probably have never had a chance of seeing in practice what the Supertram concept might have to offer the British city.

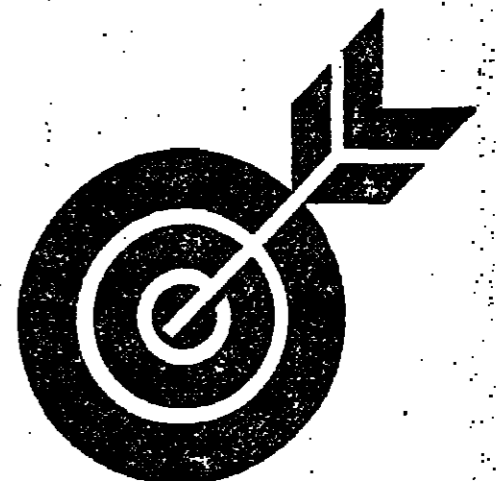


Metro-Cammell

Birmingham England

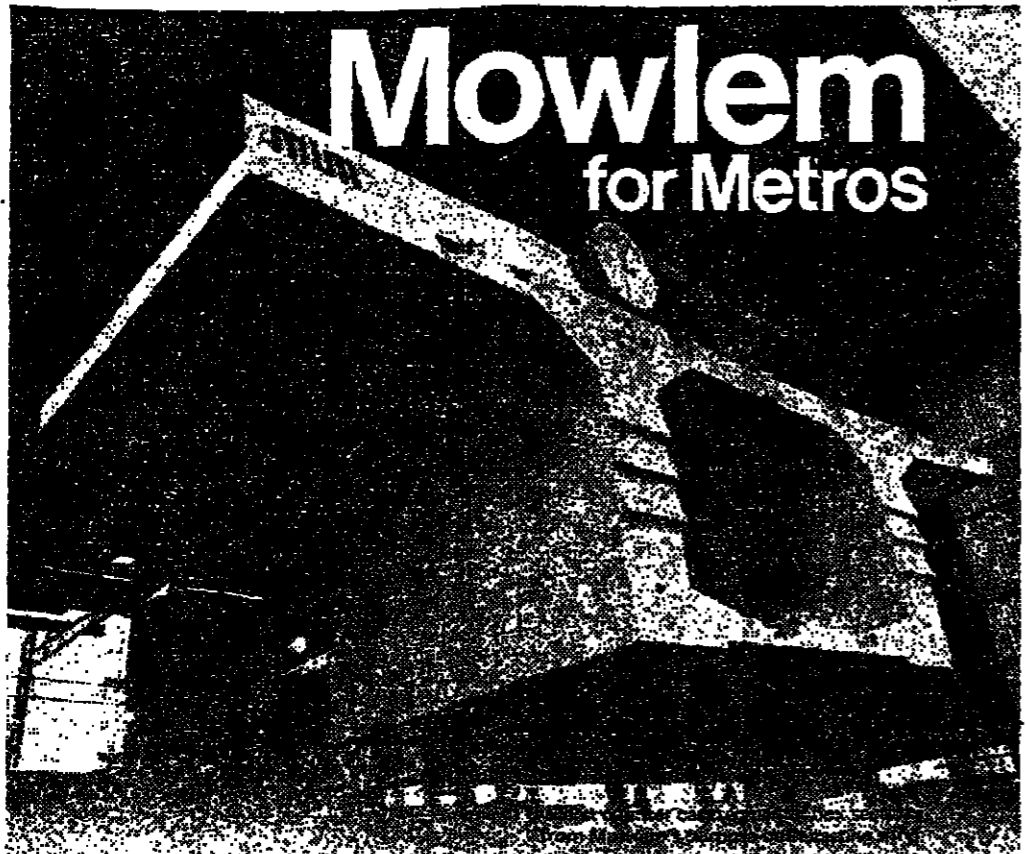
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IN RAIL INVESTMENT and development terms, progress in building the Tyne and Wear Metro has been astonishingly rapid. The idea was only conceived in 1970 and by 1973 it had been fully planned and incorporated into the heart of an integral transport plan for the area. In November of the same year, Parliamentary approval for the scheme was granted.

Even at that point, the passenger transport authority was forcing the pace. A decision was taken to set aside money for preliminary engineering works even before the required Parliamentary Statute was enacted.

There is no doubt that it is this quality of commitment and determination to see the project through, in spite of risks, which has prevented the Metro from joining the well-stocked municipal files of adventurous developments researched but regarded as too costly to implement.

Quite why Metro has been able to advance from notion to plan to reality so quickly is hard to determine. Certainly the reason has nothing to do with luck: the construction work has been hit by two considerable

waves of industrial relations unrest, apart from the morale-sapping period of the Department of Transport reassessment.

It is significant that throughout this period, the central team which is taking Metro from drawing board to final operation has stuck together. There has been only one departure, that of Mr. Tony Ridley, former director-general of the PTE, and now in charge of the Hong Kong rapid transit project.

It is a team of enthusiasts and, by British Rail standards, a team of amateurs—not one of the management team is a former British Rail man. There are those who feel that this lack of personal relationships with the state railway corporation was behind the early distrust between the two sides, a distrust which for two years threatened to scramble the project independently of the aggression later shown by the rail unions. Even now there are difficulties in the links with BR on such counts as track maintenance, which Tyne and Wear wants BR to do on a contract basis because the capital investment for independent track maintenance is prohibitively

high. British Rail is showing itself an unwilling partner in this as it did earlier over the more basic question of who should run the system.

But throughout the various stages of critical negotiations with British Rail, whose co-operation was vital in that it owned the land needed for most of the Metro track, work on the multitude of sites scattered around Tyneside continued, as indeed it continued during the Government reassessment.

Blacking

That was not the case when the PTE ran into industrial relations problems. Blacking by the rail unions, which only ended in December with a pledge from ASLEP, the drivers' union, impeded work on a number of sites in central Newcastle and, most critically, prevented the start of tunnelling on the south bank of the Tyne outside Gateshead. This stretch of tunnel will be through rock, unlike the work beneath central Newcastle, where boulder clay predominates, and the race to complete in time for the 1978 opening date is one of the biggest tasks remaining on the construction side.

This contract is in the hands of a Thyssen-Taylor Woodrow consortium. Apart from the blacking, Tyneside had an unexpected but serious bout of labour trouble from its tunnelling gangs last summer, when a roving activist from the Transport and General Workers' Union, rapidly and appropriately nicknamed "the mole," managed to stop work on all tunnelling jobs over a piece-work issue. The dispute was eventually the subject of successful conciliation and the men, who earn between £200 and £250 a week resumed work. The legacy for Tyne and Wear was a three-month hiatus in driving the south-bound tunnel. Quite remarkably, that delay has now almost been made up by "accelerating" various parts of the contract.

John Mowlem and Leonard Fairclough are responsible for the tunnelling under Newcastle and on top of labour problems, faced a substantial technical difficulty at the outset. This was caused by the discovery of medieval mine workings in the area to be excavated and it took a year of infilling before the land was sufficiently stable for the contract proper to begin. Engineering consultant for all tunnel work is Mott Hay and Anderson.

In all, about 600 men are involved in excavation and construction work on Tyneside and there is a total of five miles of double-tunnel to be built. Almost 70 per cent. of this work is now complete and a breakthrough ceremony on stage one (Newcastle) is expected shortly. Gateshead, already mentioned, and the Newcastle east-west tunnels account for the other 30 per cent. Tunnel dimensions are slightly larger than in the London Underground, comprising a basic 17 metres for running tunnels and 7 metres for parts of the tunnel containing station platforms. Maximum tunnelling depth is 20 metres from ground to crown of tunnel, regarded as the minimum possible with modern engineering methods. The manoeuvrability of the articulated metro-car and its ability to tackle gradient has made the civil engineering task simpler and less costly. There have also been relatively few complaints from property owners above the excavations—another important point in retaining costs.

Although costs have been cut where possible, it would not be true to say that the cheapest alternative has been adopted.

Another feature of the construction is the building of a sixth bridge over the River Tyne. The bridge sites have escaped industrial relation troubles and completion is expected next year. The design is for two ribbed, bank-side pier in concrete, with an open span across the river. Major contractors here are Cleveland Bridge and Cementation Construction. The greatest track distance of course, is over the existing British Rail loop. It had been expected that all the track would be replaced before Met opens, but cost-factors have prevented this. The change policy here was also assisted by the decision to fit standard weight rails when the PTE covered that it would be economical in the long run, have lighter rails special manufactured.

Relationships with British Rail are bound to be of continuing importance to Tyne and Wear long after a decision is reached on whether the BR line itself will be sold or simply rented to the Metro. It is in the interests of both sides, indeed of everyone who believes in public transport, that the expanding future that the experiment should succeed.

Ian Hargreave

Design features are appealing

ONE OF British industry's favourite clichés is that we are good at inventing things and bad at subsequent exploitation of our inventions. Tyne and Wear Metro is an example of precisely the opposite: it is an amalgam of all that looks best about lightweight rapid transit systems in other European countries. The final amalgam is unique, but the components are largely foreign or British-made under foreign licence. "There just wasn't time for anything new-fangled. We need a system which will be reliable as soon as it comes into use," says Mr. David Thornton, who is in charge of the Metro test centre.

This philosophy has certainly paid off in respect of the Metro-tram themselves, which have been under scrutiny in prototype form at the centre since July 1975. Metro-Cammell of Birmingham was asked to build two prototypes so that a variety of components could be tested under similar conditions, but in fact there was little variation between the two vehicles and changes for the production stage have been minimal.

The gradient on the test track is stiffer than anything the trams will have to deal with in normal service and the prototypes have come through tests without any significant difficulties emerging. Metro-Cammell is now working on 95 production vehicles—a contract worth £2.5m.

Each car is over 8ft. long, consisting of two separate saloons connected by an articulated vestibule. There are seats for 84 and standing room for a further 188—although these Bakerloo Line peak capacities are not expected to be reached under normal service conditions. Estimated tare weight of the car is 39 tonnes, each being formed of a lightweight integral construction, comprising a welded steel underframe and bodyside elements of fabricated steel frame panelled in aluminium. The vehicle can be driven from either end and is powered by a single overhead pantograph linked to a 1500 volts dc supply. There are three sets of bogies—two powered—with a single longitudinal traction motor. Electrical equipment is by GEC (traction) and the bogies by Duwag of Germany. The maximum speed is 80 kph with top acceleration of one

metre per second. Sharp acceleration and manoeuvrability were important design features both in ensuring high operational performance and in allowing civil engineering costs to be kept to a minimum. The operational versatility of the tram is enhanced by automatic coupling: the trams can be operated in sets of three, if desired.

The braking system combines rheostatic and disc methods, with magnetic track brakes for emergency use. In suspension and wheel design, great attention has been paid to noise emission hence the choice of a resilient wheel and a dual suspension system of rubber chevrons and rubber air bag types. Hypoid gears have also been selected, partly also on the grounds of quietness.

The overall external effect is of smart, square lines. Internally, the immediate impression is of airiness (headroom is unusually high) and of a higher degree of seating comfort than is typical on rapid transit vehicles in other European countries. Doors are power-operated on a push-button signal from the passenger.

Another all too obvious problem is vandalism. Those in charge of the Metro project attach great importance to its being a physically pleasant form of transport and un-manned stations could clearly become a wrecker's paradise. Again, considerable reliance is placed on radio messages from passing drivers and inspectors and there will be television cameras linked to control centre on all stations.

The PTE, though, has hedged its bets on the success of these preventive devices and has laid in a heavy spares stock of the vitreous enamel panels in which station buildings will be clad. Buildings will anyway be few and far between—the halts being in fact more like bus stops than railway stations.

The trams themselves will not be fully automatic in operation in the London Victoria Line sense. Again, a simpler system has been preferred on the grounds of reliability and cost. The driver will control the speeds of his vehicle and will have a dial link with control to cover operation of points and track clearances. The latter point is important, because in some of its more remote stretches the Metro will rely on single-tracking with passing loops.

When Metro does come in to service, it is hoped fairly early in 1979, the future of the test centre and its two miles of track is uncertain. By then it will have proved the equipment and trained the staff and Tyne and Wear may well have to abandon it.

Even so, to judge by the clamour of foreign interest in its activities so far, it may still have a future. Already there are weeks when the centre is hired out to interested parties, such as the builders of the Hong Kong rapid transit system, as a testing unit and the British Rail industry would be reluctant to see such a showcase closed.

What the industry really hopes, of course, is that by 1979 the shadows of economic gloom will have lifted from the faces of those who control the Department of Transport purse-strings and that Britain will by then be planning its second lightweight rapid transit Metro.

I. H.

Suspicious

Certainly on the basis of its test-track record and on the spot judgment of a visitor, the vehicle looks right. More open to doubt is the far more complex problem of how the system will actually be operated.

It is not just that a rail system without station staff and with universal one-man operation is bound to attract the suspicions of the transport unions; there are considerable technical problems too. That said, there can be no doubt that an economic staffing level (the latest estimate is about 580—down from 700) is the only way the system can have a viable financial future.

At the heart of Metro will be the South Coastway control centre, a building which will also contain staff canteen facilities, a wages bureau and which will act as a change-over point for drivers.

Inside the control room, a tiny staff will have a series of screens, able to call-up immediate information about activities on any station. When a ticket vending machine breaks

down, for example, the control centre will receive a signal and a message will be duly radioed to the Metro's own maintenance engineers. There will also be radio links with all drivers and with the team of roving ticket inspectors, who will have the difficult job of controlling fares evasion on which there will be no other checks.

The passenger transport executive knows it is taking a risk here and some would like powers of instant fines against anyone caught travelling without a ticket. This, however, is highly questionable in legal terms, even though the control system will be able to check legitimate reasons for failure to buy a ticket, such as breakdown of vending machines. Another alternative being considered in an attempt to avoid legal problems is a simple on-train ticket surcharge—but fare evaders still have to be apprehended. The county council has no plan, for any form of transport police, so the burden on the inspectorate, whose number are unlikely

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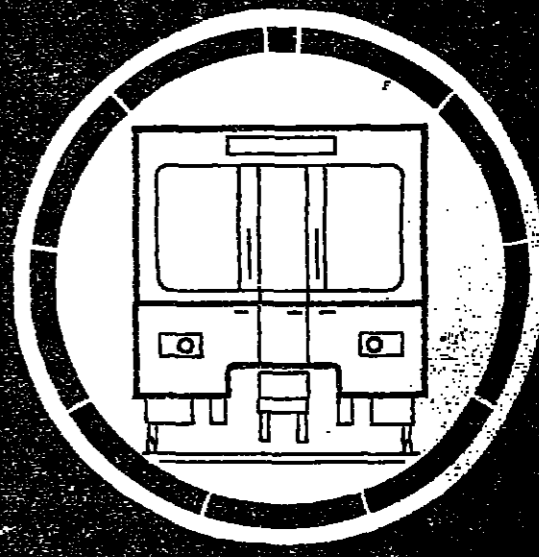
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TYNE AND WEAR METRO III

Slow progress on labour disputes

THE LIFTING of the train drivers' blacking campaign against Tyne and Wear Metro late last year helped to ensure continued Government support for the project when its future had reached a critical stage. Only the immediate crisis is over, however, and the difficult issue of who will drive the new transport system's trams remains unresolved.

Any system of Metro's hybrid nature—trams will run on a combination of existing British Rail track and newly constructed lines—was virtually guaranteed to provoke the bitter demarcation dispute which has now reached the point of railwaymen refusing to talk of Metro "trams," insisting instead that they be called "trains."

The blacking, which has been unofficial throughout, had its origins in two separate but related issues. One was the still unresolved question of whose members should drive the trams and the other the issue of how the new Metro should be owned and operated.

On the latter issue all three rail unions—the National Union of Railwaymen, Transport Salaried Staffs Association and the Associated Society of Locomotive Engineers and Firemen—were lined up alongside the British Railways Board in support of the argument that Metro should become part of the British Rail network.

The unions feared for the possible impact on existing agreements and procedures if part of the national railway network, as they see it, fell into the hands of a different authority. However, Tyne and Wear county councillors and passenger transport executive officials were equally determined that Metro should not become a mere annex to the British Rail system, and argued strongly in favour of running it themselves.

More than considerations of local prestige were at stake. Metro is designed to be highly economical on manpower and Tyne and Wear leaders feared that if British Rail ran the system the unions would insist upon, and achieve, conventional British Rail manning levels. It would also have rendered impossible any compromise on the related problem—a claim by the powerful Transport and General Workers' Union that their members should have a say in driving the trams.

The ownership problem, a difficult one for much of last year, was solved when British Rail and Tyne and Wear agreed a Joint urban rapid transit system. Metro Board to operate the system and NUR and TSSA modern term. It is the generic term for any guided transport

their colleagues in ASLEF had withdrawn their opposition.

However, members of ASLEF, the foot platenmen's union, kept up the blacking campaign over what has become the crucial industrial relations issue for the project's planners—the dispute with the TGWU over allocation of drivers' jobs. ASLEF members on Tyneside have argued that since Metro will replace existing British Rail services in the area they alone should drive the new trams. They point to the contraction of rail services since the start of the Beeching era, and believe it is only just that they should benefit from any new job opportunities.

However, some bus jobs are also scheduled to disappear when Metro becomes fully operational in 1980—although only about 7 per cent, on present assessments—and the TGWU believes that some of its members should therefore qualify for Metro work, particularly as the union is the one which represented tram drivers in the past. Additionally, in view of the widespread indus-

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Bargaining

Like many demarcation disputes, however, both unions have taken up entrenched positions—there were even allegations at one stage that ASLEF men were refusing to consider any compromise because they believed Metro would be cut by the Government and did not want to set any unnecessary precedents for the future.

But after the intervention of Mr. Len Murray, general secretary of the TUC, and some

desperate last-minute bargaining on Tyneside before Christmas the blacking was lifted in time to enable the Transport Secretary, Mr. William Rodgers, who was insisting upon trade union co-operation if Metro was to survive public spending cuts, to approve the continuation of the project.

This still left the basic problem unsolved and it remained this way after the latest of a series of meetings between the unions in London last week. Mr. Murray, who chaired the meeting, plans to circulate a statement on the present position of each union as a basis for further discussion but it is clear that progress is proving difficult.

Unless there is a breakthrough soon it remains possible that ASLEF members on Tyneside will reimpose the blacking—this has so far been more symbolic than disruptive but would become increasingly embarrassing as work on building Metro increases—and demand that their union's executive makes it official.

The drivers' issue is not the

only problem which Tyne and Wear PTE officials will have to resolve before the Metro trams begin running in two or three years' time. An original manpower estimate of 700 when Metro is fully operational was recently reduced to 580, with the proposed introduction of features like fully automatic fare collection, and it remains to be seen whether this can be negotiated in detail. A wide-ranging review of the economics of Metro conducted by the Department of Transport last year questioned whether the envisaged manning levels could be achieved in practical terms.

Understandable concern about unemployment in an area where new jobs are scarce has helped produce extreme stances from the protagonists in the demarcation battle. The TGWU men originally demanded that as Metro was to become part of an integrated passenger transport system based primarily on buses they should drive all of the new trams—and received a predictably extreme response from ASLEF members. A compromise has still to be found and the path to it is not an easy one.

However, if the issue is resolved it will be because of the widespread enthusiasm for Metro on Tyneside—all of the unions, including the ASLEF men when they were blacking the project, have stressed their belief in the scheme. Tyne and Wear leaders have shown considerable political skill in preventing the entire project from becoming a victim of public spending cuts, and will work with the same intensity to solve the outstanding labour problem.

And, while the intervention of the TUC is valuable in searching for a peace formula, it is on Tyneside that the final agreement must be reached, for the men directly concerned have already shown that they will not accept solutions which do not take their view of the situation fully into account.

Alan Pike

Joining the world boom

MORE THAN 100 cities in the world now have a population in excess of a million. Most of them are either extending their existing rapid transit system, building an entirely new one, or are planning to do one or the other. So, too, are many cities with a population considerably smaller than a million—including cities of the size of Oslo, Las Palmas, Quito and Honolulu.

Indeed, the last few years have witnessed something of a world boom in the construction of urban rapid transit systems. Wherever one looks—in the car-poor, transport-dominated countries of North America, in the increasingly car-rich, transport-dominated countries of Western Europe, in the centrally planned economies of Eastern Europe, or in the economically weak nations of Asia, Latin America and Africa—one can find vast sums of money being poured into the creation or extension of a new urban rapid transit network. Rapid transit is a relatively modern term. It is the generic term for any guided transport

system which carries passengers within an urban area and which operates over its own exclusive right of way from which other forms of transport are excluded. It thus embraces not only metro, subway, underground, U-bahn and monorail services but also tramways and street cars operating over their own segregated track as well as S-bahn and many other types of suburban commuter rail services.

Sixty years ago just ten of the world's cities boasted a rapid transit system—six in Western Europe and four in the U.S. By 1939, the number had crept up to 17—nine in Western Europe, four in the U.S., two in Asia (Tokyo and Osaka), one in Eastern Europe (Moscow), and one in Latin America (Buenos Aires). By the end of the 1950s the total had grown to 25; and by the end of the 1960s it had reached 36. In the last eight years, however, the number has more than doubled. At the last count, no fewer than 79 cities

had opened up a rapid transit system or were in process of constructing one, and a further 60 or 60 were engaged in preliminary studies.

The reasons for the boom are not hard to find. Throughout history people have been congregating in cities in search of opportunities for better jobs, better schooling for their children and a better social life for themselves. The trend may seem to have gone the other way recently in some of the older industrial areas of Western Europe and North America: in these centres the better life is now thought to lie further out. But elsewhere in the world the move to the city has become a veritable flood. Indeed, one of the major phenomena of the last thirty years has been the rapidly increasing urbanisation of the world's population.

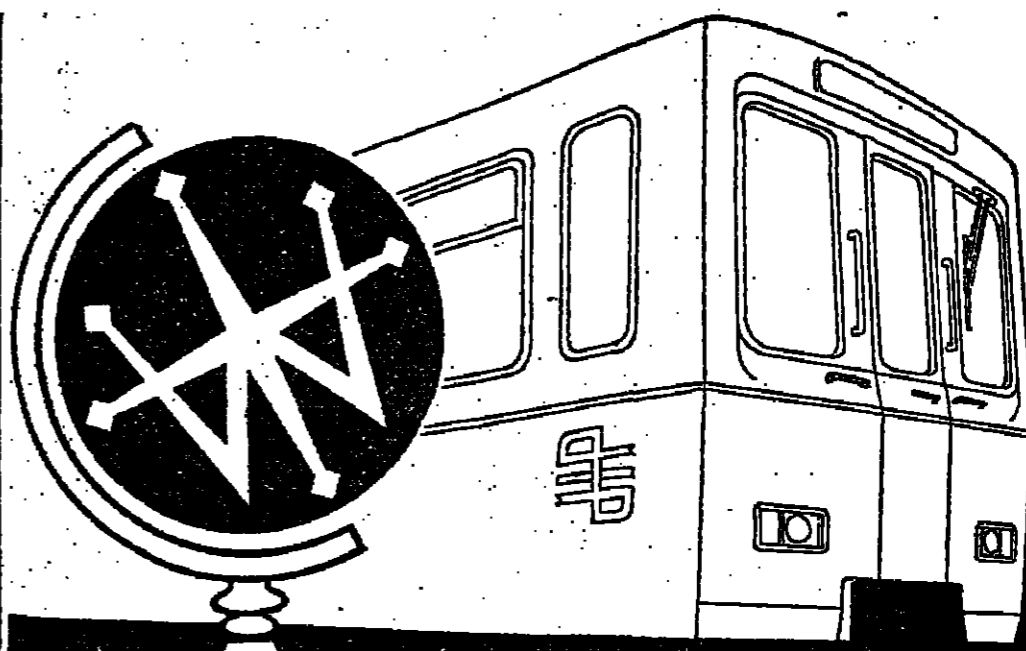
Yet cities will only succeed if they are able to offer their inhabitants a reasonable chance of personal mobility at a reasonable cost: otherwise, the whole point of congregating in a city has been lost. Attempts to solve the passenger transport problems of the major city by the use of the private car alone have failed even in places where land is cheap, resources are plentiful, regard for the environment is minimal, and the relative immobility of the carless—the old, the young, the disabled, and the poor—is regarded as socially acceptable.

Innovations

Attempts to develop new or more sophisticated systems of urban passenger transport—like the cab-track, the minitram, and the moving pavement—have also so far proved unavailing. Many possible technological innovations have been under study both here and abroad but there are yet few signs of a breakthrough which could provide a serious economic competitor to the bus, the tram, the train, and the car. So, as cities expand and existing bus networks become overloaded or their efficiency becomes eroded by street congestion, the focus turns to the possibility of constructing a segregated rapid transit system.

Yet the rapid transit construction boom is a peculiar one in one particular sense. Few of the systems in operation in the world to-day are run as a commercial venture in the strict sense of that term. The type of system in operation can vary widely from one place to another. So, too, will the organisational and management structure and its relationship with the municipal, regional or national authority. But most of them have in common the fact that they are not expected to make a commercial profit: most are in receipt of capital and/or operating subsidies in one form or another. The rapid transit boom, in fact, has been largely founded on the strange economics of social cost/benefit. Throughout the urban world the private car has become the preferred form of personal

CONTINUED ON NEXT PAGE



Metro train reproduced by courtesy of Metro-Cammell Ltd

Westinghouse are proud to be associated with the Tyne and Wear project

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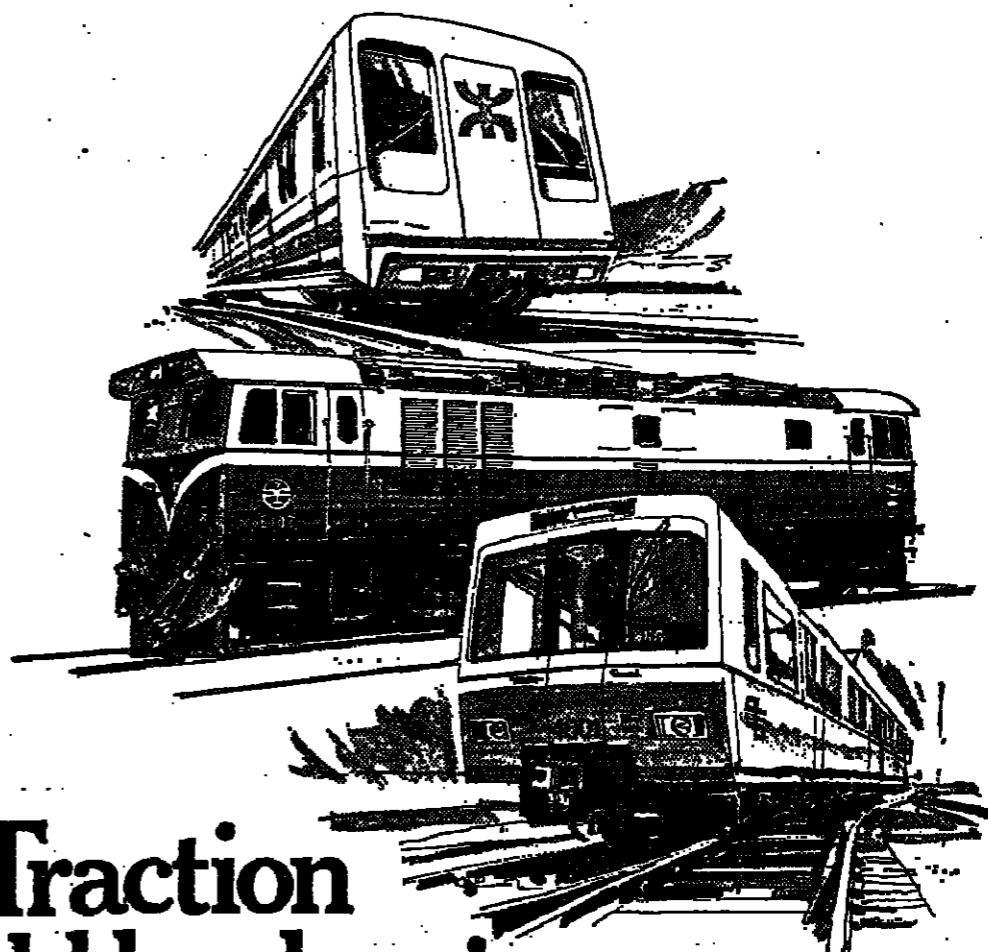
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New escalators for the Tyne & Wear Metro

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TYNE AND WEAR METRO IV

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AT THE END of last year when the future of the Tyne and Wear Metro hung in the balance and even some of its most dedicated protagonists began to lose heart, members of the county council and its passenger transport executive were gratified to receive messages of support from many other local authorities.

Even Greater Manchester, whose own Piccadilly-Victoria project now looks lost for ever, sent a morale-boosting note and joined the lobby of Government, which was threatening to cut off its grant support for the project.

Such municipal brotherly love is not common. It is partly explained by a whiff of self-interest in that if Tyne and Wear Metro succeeds, others may follow. But self-interest does not adequately explain the very genuine desire of all manner of people, in local government and beyond, to see this funny little railway, with its continental touches, score a lasting success. The deeper reason for concern was and remains, in effect, the question-mark over the whole future of urban public transport and its ability to support major new investment and innovative technology.

In forcing through a re-assessment of the validity of the project, the Department of Transport was, apparently, using the depressingly conventional statistics and projections about passenger levels which score the dreams of every public transport manager in Britain. At a time of inflation, fares must rise. Working on the

universally accepted fares elasticity factor of 0.3, it is assumed that the level of ridership sinks at a level corresponding to that of inflation, with the result that services are curtailed and the spiral prepares for the next twist.

Last year, the Department was telling Tyne and Wear that if it lost 2 to 3 per cent. of its passengers a year (a conservative national projection in the opinion of some) through natural wastage, the compound effects over six years might be a 28 per cent. loss. In other words, three years after Metro opened, there would be less than three-quarters the number of fare-payers and someone (now by agreement, the ratepayers) would be picking up the bill for massive revenue losses.

Possibility

What this argument leaves out, of course, is the possibility that the decline in public transport patronage can be halted by improving services. This is the gamble being taken by Tyne and Wear: that ridership will increase 21 per cent.

It is a gamble because the system is unique in this country. The philosophy, though, is not entirely untried on Tyneside, where a policy cycle over four years of large bus fare increases to generate investment for new buses followed by a two-year fares plateau has, councillors claim, succeeded in stabilising bus patronage. In fact last year, ridership increased by just over 1 per cent.

The policy of heavy spending on buses will continue this year, when the authority hopes to take delivery of about 200 new buses—equivalent to a third of its fleet. When Metro comes in, the fleet will be cut by about 100, but it should be in tip-top condition.

Even so, the success of the system, will depend on its 34 route miles of Metro, and the performance of its fleet of yellow and white, Metro-Cammell "super-trams."

The basic layout of the system, first considered in 1970, is ready-made, in the shape of the 26-mile British Rail loop line, whose diesel service loses money heavily and is supported to the tune of £2.8m. a year by the county council. This loop, which runs north of the Tyne connecting Newcastle with Tynemouth and Whitley Bay and south of the river on a South Shields branch, will be upgraded and supplemented by eight miles of new track in Newcastle, Gateshead and South Shields. Much of the new construction will be underground and the Tyne will be crossed at a new bridge.

On the redeveloped system, there will be 45 stations, against the 27 on the existing lines, and a major bus-metro interchange to the north and south of Newcastle. The systems' planners expect a direct bus to metro feeder system, with closely synchronised timetables would have provided the simplest method of "integration," but it would have been cumbersome and too expensive to operate.

Fare and ticketing policies are not yet fully worked out, but it is unlikely that the authority will be able to afford the luxury of complete through ticketing on bus and Metro, simply because, changeover generates revenue and even on the most cheerful assumption about passenger numbers, the system will need every penny it can earn. Tyne and Wear expects to limit revenue support to £5m. a year (1975 prices), but others, including the Department of Transport, are less optimistic. Some kind of pass-card system, already in use within the area, will almost certainly continue, but again details have not yet been decided.

So instead, the planners have worked on the principle of a high frequency of Metro trams (every 2½ minutes on some peak stretches, but an average of 6-7 minutes off-peak, so that wherever and whenever a bus passenger disembarks at a Metro station, he will not have a long wait to complete the next stage of his journey. The trams, of course, unlike the buses, will not have congestion problems in keeping to schedule.

As well as the north and south interchanges, it is also hoped to provide a central terminal to link both Metro and buses with the main inter-city service of British Rail, but at the moment it is doubtful whether cash will be available for this part of the project. There will also be Metro-side car parks, although this part of the plan too has been hit by cash considerations.

A certain compromise with the ideal has already been necessary because the PTE controls only 40 per cent. of buses in the area, the rest coming under the aegis of the National Bus Company, NBC, quite reasonably and probably in the interests of many of its passengers, does not want to terminate all out of town services at Metro points and will continue to end many journeys in central Newcastle. Meanwhile, the PTE is to leave its local suburban services virtually unchanged and its circumferential routes only slightly altered, to concentrate on cutting out short-run city routes. In the long term, the PTE would like to form a joint operating company with NBC on Tyne and Wearside and talks are now in progress on this subject.

Charges

Those responsible for planning the Metro insist that they are not anti-road or anti-car as a matter of dogma. There are no plans to aggressively penalise those who insist on continuing to use their cars in the cities, although a £500,000 subsidy on Newcastle's car parks is to be gradually phased out and car-park charges are now reviewed each year, with an increasing tendency towards proportionately larger charges for short-stay motorists at the expense of the long-stay commuter.

It is true that 31 major highway schemes have been dropped in recent years, but Mr. Jim Cousins, Chairman of the council's environment committee, points out that this is chiefly a question of spending priority. Under the financial regime imposed by Mr. William Rodgers, the Transport Secretary, capital spending on road schemes is frozen until Metro is completed and even then, the authority may be more interested in further developing public transport than in roads.

Support for public transport is a fundamental component of the Labour-controlled authority's political outlook, logical enough position which only one in ten of its population has access to a car. It must however, be a matter for doubt whether in the foreseeable future the actual Metro system can be extended.

Plans for such an extension exist and they include straight extensions of the line south, Sunderland and, less ambitiously, into the western half of the city of Newcastle. Of possibility the PTE would like to explore is that of running the Metro-cars, which are powered from an overhead electricity supply, along op streets, like old tams. The are likely to be vigorous site objections to any such ideas long as the Metro carries a "raw way" rather than a "bus" "tram" image, but plans point out that it is not more than 20 years since it last real trams left the street of Tyneside.

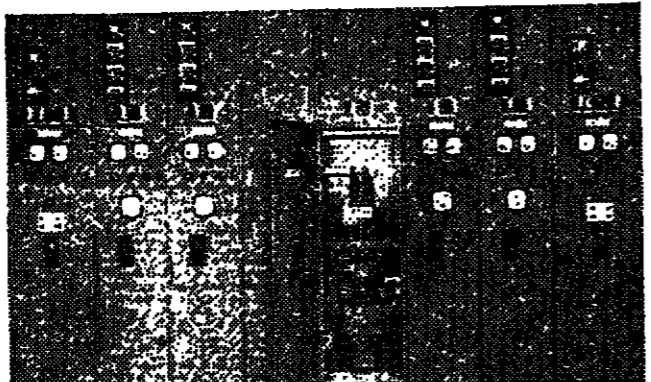
In the end, though, this, if any other transport system, may justify itself in terms of wide social and economic benefits. Some of these are obvious: ease of movement for shoppers, schoolchildren, for example, fume-free transport.

What the county council hopes for, though, is a contribution to the so often tractable difficulties of economic decline. For a start, believes Metro will contribute to its planned regeneration residential areas of the city and it can point to evidence that a number of companies have already been attracted to sites alongside Metro stations in anticipation of the wide catchment area it will open.

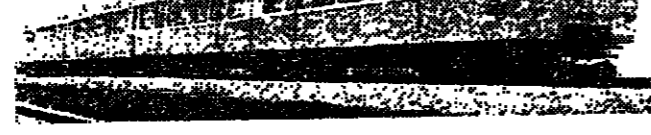
With Newcastle alone losing about 3,000 jobs a year, the seriousness of the problem needs no emphasis. The council feels that mobility combined with such factors as its own and the Government's factory-building programme will play a big part. The dedicated public transport enthusiast can take particular satisfaction that the Automobile Association has been early taker for a prime site for office premises, any case. It is estimated, over 50 per cent. of the existing jobs are sited within half a mile of Metro. So Tyneside, the Metro has come an act of faith in its future.

Colin Jones Ian Hargreaves

Brush Vacuum Switchgear has been chosen for the Tyne and Wear Rapid Transit System



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World boom

CONTINUED FROM PREVIOUS PAGE

transport. Once acquired, its use tends to be maximised and, which took place in the late 1960s (and which followed only a few years after the short-transport systems find their own peak revenue being eroded. In some places, the divergence between peak and off peak loading in the rapid transit network is still not great: in others, only the most promising routes have yet been constructed; while in other others parking controls and other traffic management measures have managed to staunch the loss of patronage. But, generally, public transport has tended to lose total revenue faster than it can disengage from its peak load costs.

As a result, real seat-mile costs tend to rise disproportionately faster than the perceived costs of private motoring. To that extent, the economics of a rapid transit system can be fundamentally unstable. In the extreme case, such as San Francisco's new BART (Bay Area Rapid Transit) system, where both construction and operating costs turned out to be much higher and patronage much lower than predicted, seat mile costs have turned out to be considerably higher than both the bus and the car; and what custom BART has attracted has tended to come not from car users but from the bus network, thus debilitating the latter.

This is one reason why Britain's contribution to the present world rapid transit construction boom has been so minimal. Another, of course, has been the recent severe constraint upon public expenditure. A number of rapid transit projects were advanced or revived amid the wave of

enthusiasm for mass transit ridership. Tyneside's Metro and London's River Line are both seen as means to help regenerate declining inner urban areas. But one wonders whether the migration of jobs and people from our older and larger cities—a movement which has been taking place for at least the last two decades—will be staunchly by improvements in public transport alone, whether in fact we are witnessing the beginning of the decline of the large metropolitan city.

For the present, certainly, while public spending remains restrained, the bus, which is less capital intensive and offers greater flexibility, is likely to be preferred to new rapid transit systems. There may be a boom in building and extending rapid transit systems abroad. But the auguries hardly suggest that the Tyneside Metro (which anyway is largely a conversion of existing infrastructure) is likely to be followed, at least yet awhile by a lot of other similar schemes in this country.

Network

Matters were not helped by the onset of record rates of inflation just when so many metropolitan authorities decided to embark upon "cheap fares" policies. Until the early 1970s, London Transport had managed on the whole to wash its face (even before its capital debt was written off in 1969), the London rail commuter network was in sight of doing so, and the urban bus industry had managed to retain a large measure of viability in face of a slowly declining market. Now urban public transport faces a much more unstable prospect, with several years of substantial real fares increases so as to restore a more realistic economic structure, the probability of a resumption in the long-term growth of car ownership, and the possibility of increasing difficulty in adjusting network costs because of the large, and rapidly growing, weight of concessional travel within total

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STOCK EXCHANGE REPORT

Turmoil in markets on surprise 1/4% cut in MLR
Prices erratic and index down 0.1 at 406.0 after 415.9

Account Dealing Dates

Option
First Declared Last Account
Dealings Today Dealings Day
Jan. 17 Jan. 27 Jan. 28 Feb. 8
Jan. 31 Feb. 10 Feb. 11 Feb. 12
Feb. 14 Feb. 24 Feb. 25 Mar. 8

Short Gilts lead

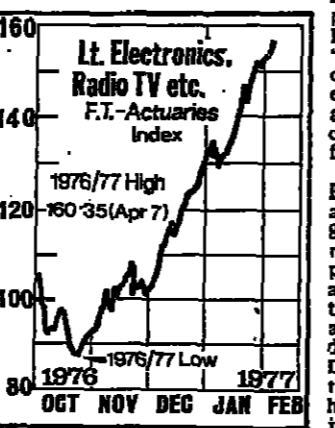
Dominated by the question of interest rates, gilt-edged surged forward strongly on a fresh wide-spread demand before turning volatile on the unexpected change in Aluminium Lending Rate yesterday. The announcement caused the market to change direction because hopes had been strong of the rate falling 1/2 to-day and gains of a full point among the longes were subsequently pared to 1/2. Short-dated gilt-edged was less vulnerable and even resisted some disappointment over the smaller-than-expected cuts in bank base rates to close near the day's high with a slight preference to a point and slightly more. Speculation about a new rate announcement to-day was not really a factor but there was a slight preference towards a rate rather than a short stock being issued soon. Corporations went with the main funds and showed signs of being more active.

Renewed buying enthusiasm had taken prices quickly better from the start. British Funds were soon showing widespread rises to £1 while sympathetic gains in leading industrial share prices had generally ranged to 7/8 and sometimes more. Prices moved erratically following the Bank's move, with feelings varying from the acute disappointment of short-term speculators to optimism on the part of long-term holders looking for a less excitable market.

Short-dated gilt-edged held up very well on the prospect of a continuing falling trend in interest rates and closed at near the day's best with gains ranging to 1/2. Rises in medium terms were clipped to 1/2, while the longes ended up 3/4 better. The Government Securities Index put on 1/2 further to a 1976-77 high of 65.87.

Leading equities turned swiftly into a loss as seen in a net fall of 0.2 in the 3 p.m. FT 30-share index which at noon had been showing a further useful rise of 3/8. The steady tendency towards the end of after-hours business was reflected in the close of 406.0 for a loss on the day of 0.1. The level of trade was relatively lower as illustrated in official markings of 0.216—the highest for just over a year.

Apart from Allied, 1 1/2 easier at 67 1/2, Breweries closed with modest gains following a brisk trade. A Guinness rose 4 to 136p, while Vaux, 280p, and B. P. Bulmer, 195p, were also up.



Electrical leaders surrendered on the proposed offer from 220p and Ultramar 4 to 136p. General Electric, closed 2 1/2 cheaper at 123 1/2 following a reasonably one-way business and Associated Fisheries ended a penny off at 47p despite the return to profitable trading. Hotels and Caterers featured Trust Houses Forte which moved up 1/2 to 135 1/2 on the sharply higher first-half earnings. Dealings in Goldring at 8p, were suspended at the company's request pending clarification of its financial position.

Spurious demand on arbitrage account took the investment currency premium up to 103 1/2 per cent., but when the interest faded rates drifted back and the other hand, gained 4 at 154 and Catalin rose to the good at 49p. Publicity given to a broker's circular attracted a fair amount of interest to Stores which closed higher at 183p and after the previous day's gain of 5. Barton "A" rose 2 to 38p, after 60p. The higher profits left Ladies Price Outerwear 2 up at 46p. J. Beattie "A" revived with a gain of 5 at 86p.

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A strong uptake in leading Engineering failed and, although Tube Investments ended 8 up at 330p, after 356p, the remainder closed only a few pence up. GKN ended 3 1/2 better after 320p, John Brown 2 1/2 up at 310p, after 305p, and the same amount dealer at 151p, after 156p, and Hawker only 2 up at 306p, after 312p. Doncaster Bank, staged a revival after 159p, before closing 1/2 higher at 153p, while Stone-Platt jumped 8 to 107p and Wadkin 6 to 82p. Serck firmed more to a 1976-77 high of 60p in the evening. Associated Engineering announced a bid for the company. Bill and Smith replied to the increased profits with an advance of 5 to 42p. A 31p bid for the company, in contrast, reacted sharply to the chairman's denial of any bid approach and closed 1/2 down at 42p. Elsewhere, profit-taking brought Copper-Neil back 2 to 31p after 65p. Shipbuilders were notable only for fresh firmness in Yarrow, up 8 at 166p.

Goods scored some good gains following Press comment on a broker's circular. Associated Dairies featured with a jump of 15p to 250p in active trading, while Kwik Save Discount touched 182p before closing at 180p. The other hand, gained 4 at 154 and Catalin rose to the good at 49p. Publicity given to a broker's circular attracted a fair amount of interest to Stores which closed higher at 183p and after the previous day's gain of 5. Barton "A" rose 2 to 38p, after 60p. The higher profits left Ladies Price Outerwear 2 up at 46p. J. Beattie "A" revived with a gain of 5 at 86p.

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FINANCIAL TIMES STOCK INDICES table with columns for various indices and their values.

HIGHS AND LOWS table showing price ranges for various stock categories.

S.E. ACTIVITY table showing share movements and trading volume.

BANK RETURN table listing various bank returns and interest rates.

Australians up again
News that one of Australia's major trading unions had lifted its ban on exports caused Uranium shares to move ahead in both overnight home markets and here. Fancifully jumped to 500p in morning trading before easing to close 7 1/2 higher on balance at 775p, while Peko-Wallend added 5 at 355p and Ocean Resources put on 3 to 21p, after 22p.

Discount house book up-dated
Financial Times Reporter GILBERT BROTHERS Discount Company has brought up to date the information contained in its book 'The Bill on London. It published in 1975, the book is intended to explain a large part of the work of the discount house in easily-understood terms. Many changes in the governing bills of exchange have occurred in the intervening years. Now in its fourth edition, the book is published by Gilbert Methuen. It costs 8s.

BASE LENDING RATES table listing various bank and financial institution rates.

NEW HIGHS AND LOWS FOR 1976/77 table listing stock price movements.

OPTION DEALING DATES table listing financial and commodity options.

RISES AND FALLS table listing stock price changes.

CORAL INDEX table listing various market indicators.

INSURANCE RATES table listing various insurance policies.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Large table containing F.T.—ACTUARIES SHARE INDICES with columns for various equity groups and sub-sections.

Notes on the indices, including details on the compilation method and data sources.

Profit-taking hits Oils

A reversal of the previous day's strength in Oils occurred when local holders decided to take profits and U.S. sources adopted a negative view. Shell bore the brunt of the domestic selling and reacted 8 to 316p, after 314p, while British Petroleum gave up 16 at 225p.

ACTIVE STOCKS

Table listing active stocks with columns for stock name, denomination, closing price, and change.

OPTION DEALING DATES

Table listing option dealing dates for various financial instruments.

MONEY MARKET

MLR set at 12%

Bank of England Minimum Lending Rate 12 per cent. (since February 3, 1977). The announcement by the authorities, but were still lower than the close on Wednesday. Discount houses buying rates for three-month Treasury bills eased to 11 1/2 per cent. before noon, but closed at 11 1/2 per cent. compared with 11 1/2 per cent. previously. Day-to-day credit remained in the weekly Treasury bill very short supply in the London money market, and the authorities have exceptionally large assistance by buying a small number brought a further fall from the houses the authorities would and by lending an extremely large amount overnight at MLR to 11 of 11 houses. Short-term fixed period interest rates were generally firmer after balances and the market was also

NEW HIGHS AND LOWS FOR 1976/77

Table listing new highs and lows for various stocks in 1976/77.

RISES AND FALLS

Table listing rises and falls for various stocks.

INSURANCE RATES

Table listing various insurance rates and policies.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts and funds, including Abbey Unit Tr. Mgrs. Ltd., Alliance Fund Managers, and others, with columns for fund names and performance metrics.

INSURANCE, PROPERTY, BONDS

Table listing insurance, property, and bond services, including Abbey Life Assurance Co. Ltd., Commercial Union Group, and others, with columns for company names and service details.

Table titled 'FOOD PRICE MOVEMENTS' showing price changes for various food items like Bacon, Butter, Eggs, and Meat, with columns for item names and price movements.

Table titled 'CLASSIFIED ADVERTISEMENTS RATES' showing advertising rates for different types of ads, with columns for ad type and rate.

OFFSHORE AND OVERSEAS FUNDS

Table listing offshore and overseas funds, including Abn-Amro Bank, Anglo-Japanese Life, and others, with columns for fund names and details.

CASTLEFIELD (KLANG) RUBBER ESTATE MR. ADDINSELL'S STATEMENT
The previous year, reducing our profit per tonne of fruit from £13.31 to £7.79 per tonne. A further factor to be taken into account in assessing the year's results is the distorting effect of the substantial fall in the value of sterling against the Malaysian ringgit.

NOTES
Prices do not include 5% premium, except where indicated. Values are shown in last column unless otherwise stated. Values are shown in last column unless otherwise stated.

HEALEY & BAKER SURVEYORS VALUERS AND AUCTIONEERS OF REAL ESTATE

FT SHARE INFORMATION SERVICE

INDUSTRIALS—Continued

BRITISH FUNDS

Table of British Funds with columns for Name, Price, and % Change. Includes sub-sections for Short-term (3 months to 5 years) and Over 15 years.

INTERNATIONAL BANK

Table of International Bank shares with columns for Name, Price, and % Change.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans with columns for Name, Price, and % Change.

LOANS (Miscel)

Table of various Loans with columns for Name, Price, and % Change.

FOREIGN BONDS & BILLS

Table of Foreign Bonds & Bills with columns for Name, Price, and % Change.

AMERICANS

Table of American shares with columns for Name, Price, and % Change.

CANADIANS

Table of Canadian shares with columns for Name, Price, and % Change.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase companies with columns for Name, Price, and % Change.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Name, Price, and % Change.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for Name, Price, and % Change.

BUILDING INDUSTRY—Continued

Continuation of Building Industry table with columns for Name, Price, and % Change.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics with columns for Name, Price, and % Change.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV with columns for Name, Price, and % Change.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Name, Price, and % Change.

DRAPERY AND STORES—Continued

Continuation of Drapery and Stores table with columns for Name, Price, and % Change.

ELECTRICAL AND RADIO

Table of Electrical and Radio with columns for Name, Price, and % Change.

ENGINEERING, MACHINE TOOLS

Table of Engineering and Machine Tools with columns for Name, Price, and % Change.

ENGINEERING—Continued

Continuation of Engineering table with columns for Name, Price, and % Change.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. with columns for Name, Price, and % Change.

HOTELS AND CATERERS

Table of Hotels and Caterers with columns for Name, Price, and % Change.

INDUSTRIALS—Continued

Main table of Industrial shares with columns for Name, Price, and % Change. Includes sub-sections for Hotels and Caterers and Industrials (Miscel).

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INDUSTRIALS - Continued. Table listing various industrial stocks with columns for stock name, price, and other financial metrics.

MOTORS, AIRCRAFT TRADES. Table listing stocks in the motors and aircraft trades sector, including companies like Rover and Jaguar.

PROPERTY - Continued. Table listing real estate and property-related stocks.

TRUSTS - Continued. Table listing various trust and investment funds.

TRUSTS - Continued. Table listing various trust and investment funds, continuing from the previous section.

NOMURA The Nomura Securities Co., Ltd. Advertisement for the Japanese leader in international securities and investment banking.

MINES - Continued. Table listing various mining stocks.

AUSTRALIAN. Table listing Australian stocks.

TINS. Table listing tin-related stocks.

COPPER. Table listing copper-related stocks.

MISCELLANEOUS. Table listing various miscellaneous stocks.

NOTES. Table listing various notes and financial instruments.

Recent Issues and Rights Page 19. Text providing information about recent issues and rights.

This service is available to every Company dealt in on the Stock Exchanges throughout the United Kingdom for a fee of £25 per annum for each security.

REGIONAL MARKETS. Table listing regional market data.

TRISE. Table listing TRISE-related data.

O.P.S. Table listing O.P.S. related data.

FINANCE. Table listing finance-related data.

DIAMOND AND PLATINUM. Table listing diamond and platinum-related data.

Options 3-month Call rates. Table listing 3-month call rates for various options.

A selection of Options traded is given at the end of the London Stock Exchange Report.

Finance, Land, etc. Table listing finance and land-related data.

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BELL'S
SCOTCH WHISKY
"Before you go"

Tight security 'first priority' for Ulster

BY GILES MERRITT IN BELFAST

A WARNING that security in Northern Ireland must be tightened was made in Londonderry yesterday by Mr. Stanley Craigs, the chairman of the Confederation of British Industry in the Province.

The statement followed the shooting on Wednesday evening of Mr. Jeffrey Agate, chief executive of Du Pont in Ulster. Mr. Craigs said: "The whole security situation has to be tightened up. This is the first priority."

But Mr. Craigs, who is head of Courtauld in Northern Ireland, added that he was aware that "personal protection for everyone could not be expected."

The call for stricter security was made during a visit to the Du Pont plant at Maydown, outside Londonderry.

Its tone is similar to the demands for more effective security measures more usually made by Loyalist leaders in the aftermath of a Provisional IRA outrage, and reflects the growing concern that industrialists in Ulster are going to be singled out as IRA targets.

The Rev. Ian Paisley, the leader of the Democratic Unionist Party, claimed yesterday that he had received information that the Provisionals had prepared a "death list" made up of industrialists, politicians, and civic leaders.

A number of men were being

questioned last night by the Royal Ulster Constabulary in Londonderry in connection with the killing of Mr. Agate.

Mr. Agate's shooting was the first such murder of a prominent industrialist in Northern Ireland, and coincided with an announcement from Mr. Roy Mason, Secretary for Northern Ireland, that a named U.S. corporation is negotiating the establishment of a plant that would provide 300 jobs in the Derry area.

Gallagher's, the major tobacco group, also announced yesterday that two-thirds of a £12m. expansion programme will be spent in the province.

It is the growing success of the British Government's drive to attract outside investment back to Northern Ireland that is thought to have triggered the beginnings of a Provisional campaign directed against the top executives of multi-national corporations.

In contrast to the total absence of foreign investment in recent years, there has recently been a resumption of investor interest in Ulster. Hughes Tool, of the U.S., has doubled its operations in the province. Ford has established a major component-building programme for its Fiesta car and another American group, Synthetic Industries,

had seen its president, Herr Dieter Spethmann, last Friday. Herr Spethmann, who is also the head of Thyssen, is believed to have told him that curbing imports was one of several pre-conditions that West German steel producers put on participating in the EEC plan calling on companies to reduce sales for the first four months of this year.

So far, none of the big West German producers have replied to the Commission's pre-Christmas requests.

The question of imports is probably the weakest link in the steel plan, which Viscount Davignon inherited from Mr. Henri Simonet, the outgoing steel Commissioner.

Steel producers do not want to see sales only to see third countries take up the slack. Imports have continued to rise, while steel consumption has fallen.

According to Commission figures, the ratio of imports to consumption was 11.5 per cent in the third quarter of last year, against only 7.9 per cent a year earlier.

is establishing a plant that will employ 200 in the depressed town of Newry.

It is not expected that Mr. Mason will react with a public statement to the killing of Mr. Agate. To do so would suggest a double standard under which some murder victims in Ulster are more important than others.

However, with all but seven of the 34 largest companies which employ more than 2,000 people owned by non-Ulster interests, it is already being emphasised that a sustained campaign by the Provisionals could drastically worsen the province's economic plight.

Meanwhile, it is understood that the RUC will be intensifying its efforts to advise senior businessmen of the precautions they can take to improve their personal security.

Damage from two incendiary devices was discovered in a bookshop owned by Claude Gill in James Street, central Londonderry, yesterday.

Police believe that the devices were placed at the same time as the others that exploded in shops and employment agencies around Oxford Street in the early hours of last Saturday morning.

But, because they failed to ignite properly, the damage was slight and was only discovered by staff yesterday when they were moving box shelves.

Post Office worker director scheme agreed

BY CHRISTIAN TYLER, LABOUR STAFF

THE LAST obstacle to launching a two-year experiment in worker democracy for the Post Office, Europe's largest employer, have been removed.

The Post Office and its 10 trade unions, representing 420,000 staff, have this week signed an agreement that will allow the Government to announce the politically important experiment in the next few weeks.

After an intense round of discreet negotiations, the two sides have agreed that the Post Office Board should be expanded from its statutory 13 seats to 17 seats.

The agreement, awaiting endorsement by the Department of Industry, is closely modelled on the 24-7 system recommended by the Bullock Committee.

The reconstituted Board would have six executive directors, six trade union directors, and four independents. But, departing from Bullock, an extra seat would be created for an independent chairman.

Until this week there were two snag: The first was union complaints of imbalance if the Board was limited to 6:6:4 and the chairman came out of the six executive directors. That has been dealt with by the proposal of an extra seat.

The second snag concerned the extent to which the unions should influence the choice of the four independents—they wanted the right to select two of the four. As a compromise, the Minister will put forward a list of nominations, from which the Post Office and union directors will jointly agree four names.

Executive directorships would continue to be Ministerial appointments. As for worker directors, the unions will put forward just six names—all union

officials but not officials who are involved in wage bargaining—for the Minister to endorse.

Until now, the Post Office had wanted each union to put up a number of candidates from which the Minister could make an overall selection.

The independent chairman would be a Ministerial appointment (he could be, for instance, a former post office chairman). One consequence is that the present arrangement, where the chief executive Sir William Ryland is also chairman, would end.

This final scheme, which has been hammered out quietly in order to duck the controversy surrounding the Bullock report, is the result of separate visits to the Minister by both sides. (All that remains is for the Minister to call a tripartite meeting to declare his approval, and to fix a day for announcing the plan.)

Union conferences this spring and summer will be asked formally to endorse the scheme. An agreement to increase the size of the Board would be introduced into Parliament this session, and the experiment could get under way in late summer.

One difficulty is that the Carter committee is investigating the Post Office structure. Its report is due this spring and if it recommends splitting the Post Office in two, with separate Boards for posts and telecommunications, there could be arguments about whether the industrial democracy plan should be allowed.

But the likelihood is that the Government would not sacrifice this treasured experiment, and would allow it to run before picking up the Carter recommendations. Most of the Post Office unions are against a split.

Six names

Executive directorships would continue to be Ministerial appointments. As for worker directors, the unions will put forward just six names—all union

Booth has Bullock safety device

BY JOHN ELLIOTT, MANAGEMENT EDITOR

A PLAN to encourage flexibility in worker-director schemes by designing company law to accommodate voluntarily-negotiated arrangements as well as a statutorily-enforced Bullock-style Board formula is being considered by some Ministers.

The object is to encourage industrialists to realise that the Bullock Report need not lead to companies being forced into a rigid pattern if they are prepared to negotiate their own arrangements with their unions.

This idea is likely to be discussed by Mr. Albert Booth, Employment Secretary, in Oxford to-night when he makes his first major speech since the Bullock Report was published last week.

This does not mean that Mr. Booth considers the Bullock Report proposals should be watered down in any legislation; nor does it mean that the Government is considering moving away from giving workers a basic right to sit on Boards if they and their unions want them. There are no signs of senior Ministers moving away from their intention to publish legislative proposals based on the Bullock Report by the summer.

What is envisaged is that the Department of Trade and Industry will include in the legislation to accommodate both voluntarily-negotiated schemes and a

"2x plus y" type of formula. This formula would then operate as a statutory fall-back which could be claimed by unions if they could not reach voluntary agreements.

The result could well be that industrialists wishing to ward off a full Bullock-style Board would be prepared to offer one or two Board seats to their unions. Such an idea might also appeal to unions in the early days of the legislation, because it would not compromise their traditional bargaining functions as much as a full Bullock scheme.

They would not be committing themselves to the partnership approach implicit in full Board representation. Instead they could regard their Board representation, as happens in Sweden, primarily as a method of gathering company information.

It is left open to individual companies to try to negotiate a role for non-unionists, or special arrangements for management representation.

These ideas would pose some problems for drafting company law. For this reason it might not be practical for a two-tier structure to be included as one of the voluntary options, although this possibility has not been ruled out.

Post-Bullock headlines Page 16 Parliament Page 14

European steel makers demand action to curb imports

BY GUY HAWTIN in Frankfurt and DAVID BUCHAN in Brussels

EUROFER, the recently-formed grouping of European steel manufacturers yesterday demanded fast action by the European Commission in Brussels to curb steel imports.

Later, Viscount Eileen Davignon, EEC Commissioner with responsibility for this area of Community affairs, said in Brussels that he basically "shared this view."

Eurofer, in a statement issued by its governing body in Brussels, said the Commission had done so far. However, the statement, while noting that "the European steel industry was entering its third year of crisis," did not spell out the type of action it would like.

The statement, most formally requested that the Commission takes as soon as possible "all appropriate initiatives" to reduce the flow of imports.

Viscount Davignon said the support of Eurofer might give the Commission's plan more weight in taking some action. He would not be drawn on what action. The Commission may make a statement on the issue today.

Viscount Davignon said he was in close touch with Eurofer and

had seen its president, Herr Dieter Spethmann, last Friday. Herr Spethmann, who is also the head of Thyssen, is believed to have told him that curbing imports was one of several pre-conditions that West German steel producers put on participating in the EEC plan calling on companies to reduce sales for the first four months of this year.

So far, none of the big West German producers have replied to the Commission's pre-Christmas requests.

The question of imports is probably the weakest link in the steel plan, which Viscount Davignon inherited from Mr. Henri Simonet, the outgoing steel Commissioner.

Steel producers do not want to see sales only to see third countries take up the slack. Imports have continued to rise, while steel consumption has fallen.

According to Commission figures, the ratio of imports to consumption was 11.5 per cent in the third quarter of last year, against only 7.9 per cent a year earlier.

The Commission has confined itself to trying to get voluntary restraint from importers—with some success in the important case of Japan, but less in the case of Brazil, Spain, Korea and others.

The first sign of a tougher Brussels stand on imports came on Wednesday when the Commission decided to start an investigation on South African reinforcing bars, a product particularly in glut in the EEC.

But with last night's apparent endorsement of the Eurofer demands, the Commission may have other measures in mind.

The urgency of the situation is illustrated by the West German steel import figures. Not only are domestic producers' order books at a desperately low level, but it is estimated that in Southern Germany every second tonne of steel sold is imported.

In Britain, Mr. Bob Scholz, chief executive of the British Steel Corporation, recently expressed serious concern about the BSC's inability to increase its share of the home market. At the start of the decade, it controlled some 70 per cent of the market.

New share disclosure rule in force on April 19

BY MICHAEL LAFFERTY BRUSSELS, Feb. 3.

NEW RULES requiring the disclosure of all share stakes in excess of 5 per cent of a company's shares, and powers for listed companies to inquire into nominee shareholders are to come into force on April 19 this year.

This was announced by the Government in the Commons yesterday as part of its programme to secure early implementation of the main provisions of the 1976 Companies Act.

The first major part of the Act, dealing with the new procedure for filing accounts with the Registrar of Companies, comes into force on March 1.

Under this, a company will be required to file its accounts within a fixed period—normally seven months for public companies and 10 months for private companies—after the

end of each accounting reference period, normally the accounting year-end.

Before the system comes into force, all companies will have to tell the Registrar the date on which their accounting period (the reference period) ends.

They will receive two reminders and unless they inform the Registrar by October they will be deemed to have a March 31 accounting period.

The Act also provides, under rules coming into force on April 19 this year that a company cannot resign without telling shareholders and creditors if there are any circumstances connected with the resignation which should be brought to their notice.

In addition, auditors will in future have to be appointed annually, as opposed to automatically as at present. Details Page 8

Continued from Page 1 Slater

said, there had been important negotiations with various companies which had led to Slater Walker Securities being bought temporarily by Bion Securities.

One large public company had contemplated buying 20 per cent of Slater Walker's share capital for £200m., but political considerations led to the deal falling through.

Then Slater Walker had negotiations for a substantial stake in a French consortium which in turn was to buy up to 25 per cent of Slater Walker shares. There had been a further example in the Far East when the Slater Walker group was extending its interests there.

Mr. Mathew said the Companies Act prohibition on an firm using its own money to buy its own shares was intended to stop speculators getting hold of company to the detriment of minority shareholders.

Approval sought for NATO aircraft

BY DAVID BUCHAN BRUSSELS, Feb. 3.

MINISTER from 13 Nato countries will be asked at a meeting in Brussels in three weeks to approve a detailed formula worked out by Nato officials for buying the AWACS (airborne warning and control system) aircraft for the Western alliance.

It became clear to-day that, after two meetings of financial experts this month, there was now an agreed deal for sharing the \$2,440m. cost of acquiring 27 of the aircraft.

According to this agreement which has taken two years to negotiate and must be ratified by Ministers on February 24-25, the U.K. would pay \$450m, or 18 per cent of the purchase price. Britain had been trying to sell a version of the Hawker Siddeley Nimrod for the Nato role.

For the first time Nato itself will be the nominal buyer of a weapon system. The programme, which will provide with early warning against low-flying aircraft and airborne control for Nato aircraft from Norway to Turkey, has been hailed as a major sign of Nato's will to improve its defences.

will carry a Nato emblem on its tail and the crews will be of mixed nationality.

All Nato countries are now expected to take part. No French or Greek Ministers will be present at this month's meeting. France, which has opted out of the military side of the alliance, does not want to pay for any of the acquisition or maintenance costs but is expected to pay a "user fee" for intelligence gained. Greece, which has adopted the French posture to the alliance, is to put up only a small sum.

Two questions still to be settled are who will pay for the very large maintenance costs and which European countries will get the sub-contracts from the main U.S. contractor—Boeing. It is understood that the Marconi company in the U.K. stands to win a lot of the electronic work.

Michael Doane, Aerospace Correspondent, writes: Intense pressure is now likely to be exerted on the U.K. Government by traders unions, MPs and the aerospace industry to try to get procurement of the AWACS aircraft overturned in favour of a version of the Hawker Siddeley Nimrod.

MLR: so far and no further

THE LEX COLUMN

Index fell 0.1 to 406.0



The Bank of England's move to re-establish control over short term interest rates was less than decisive, and the setback in the gilt-edged market was modest: shorts, in fact, finished at the day's highest levels, perhaps encouraged by the absence of any new tap stock to reinforce the MLR manoeuvre. The Bank has not scrapped the normal Friday formula for setting MLR. It has only temporarily suspended it as it has done twice before (though in different circumstances) to impose a higher level than the market would have established. And there has been no attempt to reverse the downturn of interest rates, although MLR must now be a good point below the level which the authorities would ideally have wished to see. All the Bank has done is to limit to a quarter-point the drop in MLR which, on yesterday morning's market indications, would have been at least twice that.

It is not clear, however, how long the authorities wish to hold MLR at the 12 per cent level. If the rate at to-day's Treasury Bill tender is in line with this MLR the formula will become re-established and various options will be open for next week. But if bidders outside the discount market fail to get the message and again overstep the mark the rate will stay directly under the control of the Bank. These days MLR is of no direct relevance to anybody outside the discount houses, but the Bank presumably feels that its psychological impact will be enough to provide a modest counter to market forces.

The decision to hold rates up continues to leave the authorities open to the criticism that, when sterling is being kept at under its free market level, they are making an unnecessary present to foreign speculators. Presumably the authorities feel, however, that they must retain a cushion to absorb any problems arising during the wage negotiating season. And there is also the point that dollar interest rates are currently on the way up.

Speaking to Congress yesterday the Federal Reserve Board chairman Dr. Arthur Burns set out virtually unchanged money supply targets despite the recent tendency for the aggregate to overshoot. Dr. Burns expressed the view that the targets would be adequate to finance a more rapid growth of the economy than seen in 1976,

standards of its sector (around 28 per cent on capital employed). Its dividend seems to be well covered on an inflation adjusted basis. Moreover it will not be able to point out that the recovery which has come through at AE over the past three years has not been the result of a more profitable mix of sales. Like A.E. Serck's high export ratio and a big commitment to the diesel engine business (nearly a fifth sales). But in addition 30 per cent of its sales go to the process industries—whereas vehicle manufacturers account directly for a tiny fraction.

Lourho

Lourho's growing importance as a major international group is underlined by the late accounts, which show that its capital employed now amounts to over £500m.—more than three times the level five years ago. Shareholders' funds together with minority interests have also trebled over the same period to £307m. Last year exceeded £1bn.

The pre-interest return average capital employed year was well over 20 per cent before taking into account a surplus on currency realizations of no less than £2m. Against this background, the bank's current performance has been a major headache for a number of years but almost unnoticed. Thus a write down of £8.4m. against deconsolidated subsidiaries (mostly relating to the Beira pipeline) and a provision against underwritten associates are lost without extraordinary items.

Shareholders' funds rose nearly a third over the year 1976, which means that, big increase in borrowings closed in the rights issue of £300m. has not upset the gearing ratios. But there is still no clear picture of geographical make-up of balance-sheet, or of the various sources. The breakdown of activities only gives a broadest impression of what has been happening: it is that agriculture and now account for under a quarter of profits against half two years ago.

"export confirming, and insurance" have grown from nowhere into the position of Lourho's second largest profit earner.

Weather

U.K. TO-DAY

RAIN spreading from the South-West to most districts, followed by brighter weather in the West, with showers near coasts.

London, South England, E. Anglia, North England, N.E. England, Borders, the Highlands, East Scotland, the Highlands, Bright at first, cloudy with rain later. Wind S.W., moderate to strong. Max. 6C (43F).

Channel Islands, S.W. England, N. Wales, N.W. England, Lakes, Isle of Man, West Scotland, N. Scotland, Orkney, Shetland, N. Ireland

Dry at first but rain or showers later. Wind strong to gale force. Max. 8C (46F).

Outlook: Showers or longer periods of rain. Lighting-up: London 17.35, Manchester 17.22, Glasgow 17.20, Belfast 17.32.

BUSINESS CENTRES

City	Y-day	1/2-day	1/4-day	Y-day	1/2-day	1/4-day	
Amsterd.	C	2	39	Manchr.	C	3	37
Athens	C	1	31	Melbourne	C	1	37
Barcelona	C	1	28	Mexico C	1	1	36
Beirut	C	2	28	Moscow	C	3	37
Bombay	C	4	43	New York	S	1	36
Buenos Aires	C	3	44	Osaka	S	1	35
Burnham	C	3	46	Paris	C	4	36
Calcutta	C	4	41	Rangoon	C	1	35
Cairo	C	3	41	San Francisco	C	1	37
Cardiff	C	3	41	Singapore	C	2	36
Chennai	C	3	41	Sourabaya	C	1	34
Copenhagen	C	1	34	Taipei	C	1	36
Dublin	C	3	41	Tel Aviv	C	2	37
Hankow	C	3	41	Tokyo	C	2	37
Hong Kong	C	3	41	Winnipeg	C	1	36
London	C	3	41	Zurich	C	1	36
Lyons	C	3	41				
Manila	C	3	41				
Medan	C	3	41				
Seoul	C	3	41				
Singapore	C	3	41				
Taipei	C	3	41				
Tel Aviv	C	3	41				
Tokyo	C	3	41				
Winnipeg	C	3	41				
Zurich	C	3	41				

HOLIDAY RESORTS

Ajaccio	F	13	Jan	R	13	Jan
Alexandria	F	18	Feb	L	18	Feb
Algiers	F	18	Feb	L	18	Feb
Barcelona	F	18	Feb	L	18	Feb
Batavia	F	18	Feb	L	18	Feb
Bombay	F	18	Feb	L	18	Feb
Buenos Aires	F	18	Feb	L	18	Feb
Calcutta	F	18	Feb	L	18	Feb
Canton	F	18	Feb	L	18	Feb
Cardiff	F	18	Feb	L	18	Feb
Chennai	F	18	Feb	L	18	Feb
Cebu	F	18	Feb	L	18	Feb
Hankow	F	18	Feb	L	18	Feb
Hong Kong	F	18	Feb	L	18	Feb
London	F	18	Feb	L	18	Feb
Lyons	F	18	Feb	L	18	Feb
Manila	F	18	Feb	L	18	Feb
Medan	F	18	Feb	L	18	Feb
Seoul	F	18	Feb	L	18	Feb
Singapore	F	18	Feb	L	18	Feb
Taipei	F	18	Feb	L	18	Feb
Tel Aviv	F	18	Feb	L	18	Feb
Tokyo	F	18	Feb	L	18	Feb
Winnipeg	F	18	Feb	L	18	Feb
Zurich	F	18	Feb	L	18	Feb

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★ CENTRAL HEATING
★ RECEPTION
★ 16 LINE
★ SWITCHBOARD
★ CATERING FACILITIES
★ BOARDROOM
Ref: M.S.B.

TO LET
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